



City of Dallas, Texas

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended  
September 30, 2021





# **CITY OF DALLAS, TEXAS**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended September 30, 2021**

### **Issued by City Controller's Office**

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# **INTRODUCTORY SECTION**





February 28, 2022

Honorable Mayor, City Council members, and residents of Dallas:

We are pleased to present the Annual Comprehensive Financial Report for the City of Dallas (City) for the fiscal year (FY) ended September 30, 2021. The City and our dedicated financial management staff are committed to responsibly stewarding the funds our residents and taxpayers entrust to us. We have produced this report to help the public better understand the City, our operations, and our finances.

We are proud to announce we received an unmodified (clean) audit opinion on our financial statements this year from our external auditor, Weaver and Tidwell, LLP. We can provide reasonable assurance the financial information contained in this report is complete, reliable, and accurate.

We present the report in three sections:

- The **Introductory Section** provides this transmittal letter, a list of City officials, and an organizational chart.
- The report from our external auditor, Weaver and Tidwell, LLP, is located at the front of the **Financial Section**, followed by Management's Discussion and Analysis (MD&A) and the annual financial statements. The MD&A includes a narrative introduction, overview, and analysis of the basic financial statements and should be read in conjunction with this transmittal letter.
- The **Statistical Section** presents selected financial and demographic information.

We wish to take this opportunity to thank the staff of the City Controller's Office, as well as staff with financial management roles in all departments, for their dedication to excellence, transparency, and accountability. We could not have produced this report without them. We appreciate the guidance of the Executive Finance and Controls Committee, as well as the assistance of the Office of Economic Development and the Department of Information and Technology Services, which provided the necessary data to prepare this report. We look forward to implementing even stronger fiscal policies and practices to provide Dallas residents and taxpayers the maximum value for the resources entrusted to us.

Finally, our thanks to the Mayor and members of the City Council for their support in maintaining the highest standards of professionalism in the management of the financial operations of the City.

# ABOUT DALLAS

## HISTORY

John Neely Bryan established a permanent settlement in Dallas in 1841, though the region was long inhabited by Native Americans, particularly the Wichita, Cherokee, Caddo, and Comanche tribes. Dallas grew rapidly, serving the surrounding rural areas and securing new rail lines, which were a catalyst for further economic expansion. The City of Dallas was incorporated in 1856, and the 1860 census reported a population of about 700. Today, the City spans 385 square miles and four counties (Dallas, Collin, Denton, and Rockwall). It is the ninth-largest city in the nation and the largest local economy in Dallas-Fort Worth-Arlington, the nation's fourth-largest metropolitan area.

The City is home to 1,304,379 people (as of August 12, 2021), and the Dallas-Fort Worth-Arlington metropolitan area increased by more than 119,000 people between July 1, 2019 and July 1, 2020—the largest change of any metro area in the nation.<sup>1</sup> Further, Collin and Denton counties were in the top 10 largest-gaining counties in the U.S.<sup>2</sup>

Dallas is a diverse city, with the most recent census data showing 42 percent of residents identifying as Hispanic or Latino (of any race) and 58 percent identifying as non-Hispanic or Latino, including 29 percent as White, 24 percent as Black, 3.4 percent as Asian, and 1.6 percent as some other race.<sup>3,4</sup> The City also attracts domestic and international immigration. In 2019, foreign-born residents made up 24.8 percent of the overall population and 30.3 percent of the employed labor force.<sup>5</sup> Dallas' median household income in 2019 was \$52,580 and per capita income was \$34,479, both adjusted for inflation.<sup>6</sup>

Dallas has a council-manager form of government with 14 single-district City Council members and a Mayor elected at-large. The Mayor and City Council appoint the City Manager, City Attorney, City Auditor, City Secretary, and Municipal Court judges. The City provides a full range of municipal services established by statute or charter, including police and fire, infrastructure, culture and recreation, libraries, planning and zoning, and general administration. Additionally, Dallas Water Utilities, Airport Revenues, Convention Center, Sanitation Services, and several other enterprise and internal service fund activities are part of the City's legal entity. Refer to the *Financial Information* section in this transmittal letter for more information.

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<sup>1</sup> U.S. Census Bureau, Metropolitan and Micropolitan Statistical Areas Totals: 2010-2020, last revised October 8, 2021

<sup>2</sup> Ibid

<sup>3</sup> U.S. Census Bureau, [2020 Data Release Schedule](#), 20 Dec. 2021. Due to complications collecting data for the decennial census conducted during the COVID-19 pandemic, the U.S. Census Bureau is delaying release of the 2020 American Community Survey, containing certain city-specific demographic, employment, and income data, which this letter relied upon in previous years.

<sup>4</sup> 2019 American Community Survey, 5-Year Estimates, Table DP05

<sup>5</sup> 2019 American Community Survey, 5-Year Estimates, Table S0501

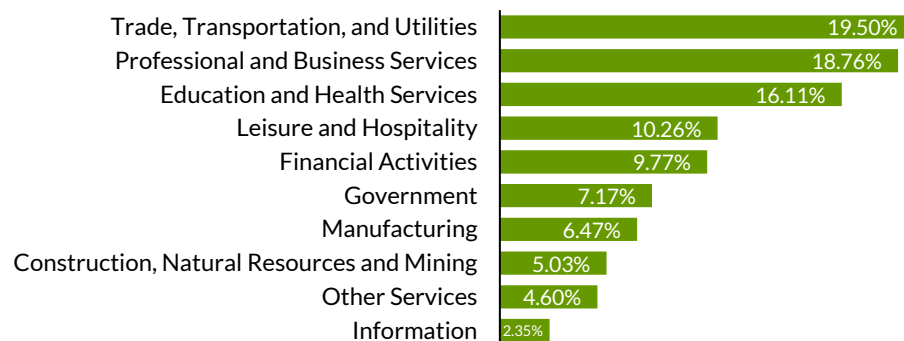
<sup>6</sup> 2019 American Community Survey, 5-Year Estimates, Tables B19013 and B19301

# ABOUT DALLAS

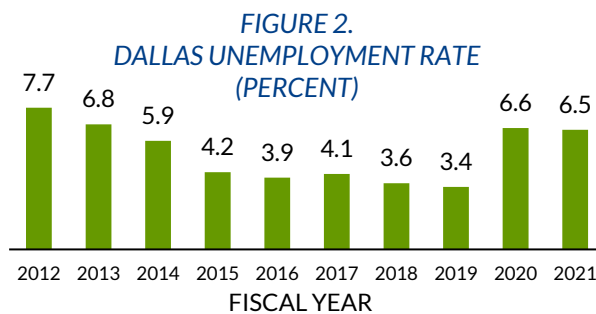
## ECONOMY

In March 2020, the City’s financial position changed dramatically with the onset of COVID-19. Revenues declined sharply in the second half of FY 2020, and a slow recovery was not expected to begin until FY 2022. Fortunately, the predicted drop in economic activity was not fully realized, in large part due to steps taken by the federal government to mitigate the economic disruption. Given that decisive policy action, the economy shifted to a robust recovery. Economists predicted that the U.S. would experience faster than average growth through 2021.

**FIGURE 1.**  
**DALLAS REGION EMPLOYMENT BY INDUSTRY**



Dallas is well positioned to capitalize on this recovery; its diverse industry mix dampening any single industry downturn and driving strong cross sector job growth. The City is home to nearly 70,000 businesses, which is down very slightly from last year.<sup>7</sup> The Trade, Transportation, and Utilities sector remained the largest industry by employment in FY 2021, followed by Professional and Business Services, and Education and Health Services.<sup>8</sup>



The Dallas monthly labor force averaged 701,108 during FY 2021, while the monthly average of unemployed residents was 45,689, which was substantially the same as last year. Dallas’ FY 2021 unemployment rate was 6.5 percent, which is slightly higher than the nation’s 6 percent average.

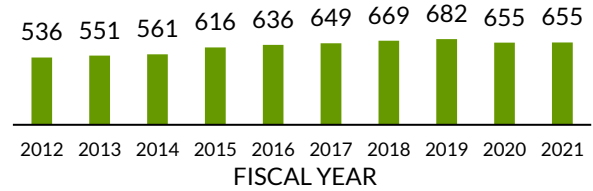
<sup>7</sup> ReferenceUSA Estimates 2020

<sup>8</sup> Estimated using data from ReferenceUSA and U.S. Bureau of Labor Statistics, Dallas-Plano-Irving Metropolitan Division

# ABOUT DALLAS

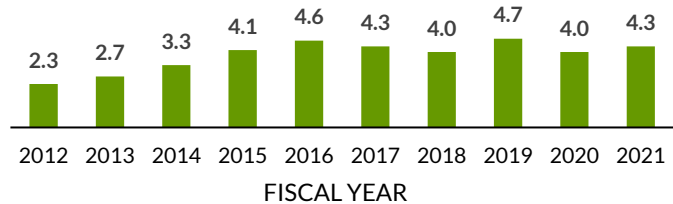
The unemployment rate was highest in February 2021 at 7.6 percent but steadily declined since then, with the unemployment rate in September 2021 reaching 4.8 percent.<sup>9,10,11</sup> Remarkably, the number of employed Dallas residents was substantially the same as the prior year. About 655,419 residents were working in FY 2021, compared to 654,805 in FY 2020.<sup>12</sup>

**FIGURE 3.**  
**DALLAS HOUSEHOLD EMPLOYMENT**  
**(IN THOUSANDS)**

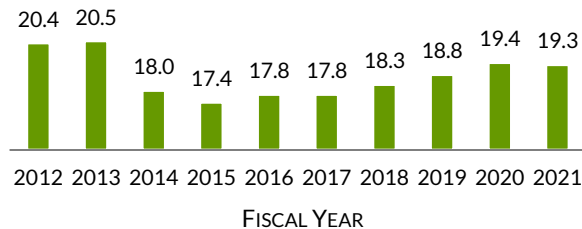


In FY 2021, the annual value of all construction permits was about \$4.3 billion, with 44,618 permits issued. New construction values increased from the previous year by approximately 8 percent.<sup>13</sup>

**FIGURE 4. DALLAS BUILDING ACTIVITY**  
**(IN BILLIONS \$)**



**FIGURE 5. DALLAS OFFICE VACANCY RATE**  
**(PERCENT)**



Dallas has almost 138 million square feet of office space, 221 million square feet of industrial/flex space, and 83 million square feet of retail space.<sup>14</sup> Strong economic underpinnings and a diverse economy have fostered a healthy office market. Despite fallout from the pandemic and recession, the City expects vacancy rates to again remain relatively steady next year.<sup>15</sup>

<sup>9</sup> U.S. Bureau of Labor Statistics (non-seasonally adjusted values)

<sup>10</sup> Texas Workforce Commission (TWC) and U.S. Bureau of Labor Statistics

<sup>11</sup> The estimates in Figures 2-7 reflect data as of the publication date of each year's report. Data is not adjusted from year to year.

<sup>12</sup> U.S. Bureau of Labor Statistics (non-seasonally adjusted values)

<sup>13</sup> City of Dallas Department of Sustainable Development and Construction

<sup>14</sup> CoStar, November 2021

<sup>15</sup> CoStar, November 2021; ReferenceUSA, November 2021

# ABOUT DALLAS

The industrial vacancy rate decreased to 5.8 percent in FY 2021 due to leasing of speculative projects that reduced available space. Economic growth in distribution activity increased Dallas' demand for warehousing and production space. With approximately 221 million square feet of industrial space in Dallas, the City's inventory grew slightly (by just under 1 percent) since last year. Projections for industrial space include a slight increase in vacancy next year.<sup>16</sup>

FIGURE 6. DALLAS INDUSTRIAL VACANCY RATE (PERCENT)

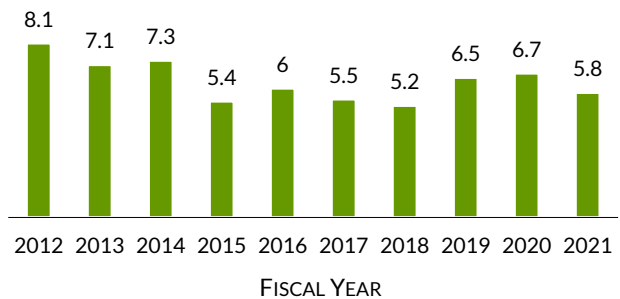
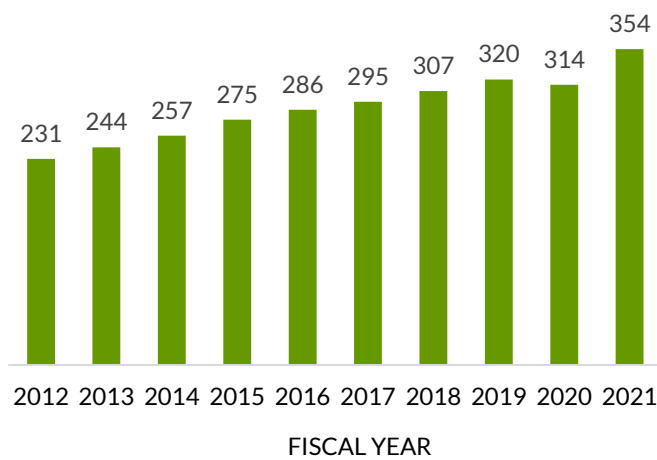


FIGURE 7. DALLAS SALES TAX REVENUE (IN MILLIONS \$)



Sales tax rebounded nicely and more quickly than expected after a difficult year in FY 2020. Total revenue for FY 2021 was \$354.3 million, which is \$39.9 million, or 12.7 percent more than the revenue reported in FY 2020, and actual revenue exceeded the FY 2021 amended budget by 5.4 percent. Sales tax revenue has increased 53.2 percent since FY 2012.<sup>17</sup>

The total certified property tax base value, including business personal property (BPP), increased to \$147.4 billion in FY 2021 from \$140.2 billion in FY 2020, a 5.4 percent

increase. Despite the COVID-19 pandemic, FY 2021 is the ninth consecutive year of growth since three years of declining values attributed to the 2008 recession.<sup>18</sup>

Dallas' commercial tax base grew 6.39 percent to \$66.1 billion in FY 2021, reflecting a steady and strong local business economy, resulting in robust demand for commercial space.<sup>19</sup> The residential tax base increased approximately 5 percent to \$66.3 billion. Dallas' increased valuations reflect continued inward migration and a diverse housing stock that can accommodate various household needs.

<sup>16</sup> CoStar, November 2021

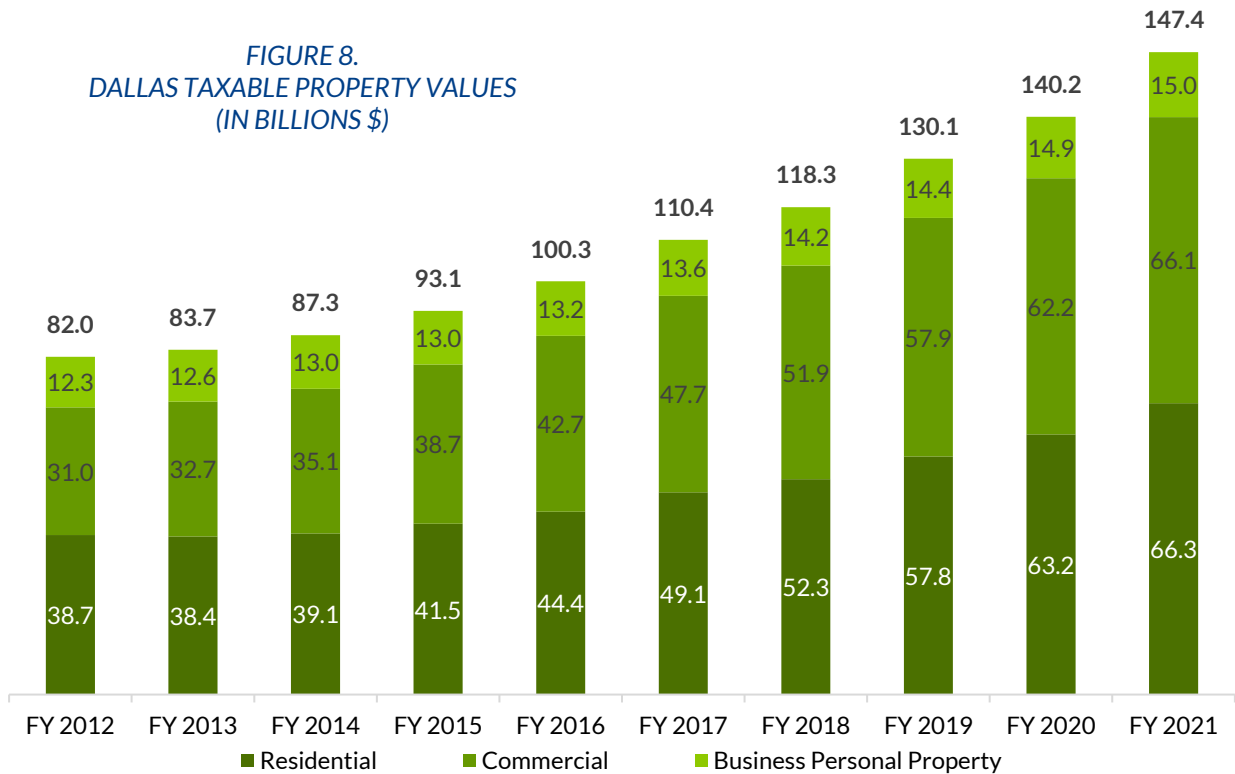
<sup>17</sup> City Controller's Office

<sup>18</sup> Ibid

<sup>19</sup> Budget & Management Services

# ABOUT DALLAS

FIGURE 8.  
DALLAS TAXABLE PROPERTY VALUES  
(IN BILLIONS \$)



Development in Dallas continued despite the adverse impacts of COVID-19. The downtown loop is now home to more than 13,000 residents living in 50 residential properties, with three new residential projects with more than 600 units to be added soon. Downtown is home to 139 commercial office buildings, 30 hotels, and 20 projects that are planned or underway.<sup>20</sup> In a 2.5-mile radius from the Central Business District (CBD) midpoint, the resident count increases to more than 100,000, a 28 percent increase since 2010.<sup>21</sup>

Completed projects include AT&T's \$100 million Discovery District Campus, which features a public plaza, multiple interactive sculptures, and events like movie nights, light shows, and Dallas Cowboys watch parties. The campus includes more than 10,000 square feet of food and beverage space, including The Exchange, a multi-restaurant food hall that opened in 2021.

<sup>20</sup>Downtown Dallas Inc, State of the Market, 2Q 2021

<sup>21</sup>PolicyMap, accessed November 2021



# ABOUT DALLAS

Residents and visitors to the CBD and immediate vicinity saw the completion of The National, an iconic downtown skyscraper reimagined as the Thompson Hotel, apartments, retail, and restaurant space. Nearby projects recently completed include the Adolphus Tower redevelopment (downtown), the Continental Gin redevelopment (Deep Ellum), and improvements to the street scape and hike/bike trails by the Virgin Hotel (Design District).

Work continues apace on The Galbraith, a multimillion-dollar mixed-use development at 2400 Bryan Street that boasts 111 new affordable housing units, along with 106 market-rate units and 10,000 square feet of commercial space, including a childcare facility. The project is a partnership among the City of Dallas, Matthews Southwest, the Dallas Housing Finance Corporation, and Volunteers of America, and it is expected to be complete in FY 2022. The Galbraith will provide much-needed workforce housing options in the downtown core, while giving residents access to employment centers, transit, and other amenities.

Progress continues at the Reimagine RedBird redevelopment project at RedBird Mall, with two big openings in FY 2021: a new Frost Bank branch, and the RedBird Health Center, Parkland's newest primary care clinic, which brings much-needed healthcare services to RedBird and the surrounding areas. Tenants started moving into Palladium Apartments, a 300 unit, mixed-income Class A apartment building which provides pedestrian access to the mall. Finally, Chime Solutions expanded its anchor office tenant footprint in the inline portion of RedBird Mall, taking additional space for its business process outsourcing center.

At the International Inland Port of Dallas, a major logistics hub featuring warehouse, distribution, and ecommerce functions in the southeast quadrant of the City, we have seen the creation of over 8,000 jobs to date. More than 37 million square feet of industrial and warehouse space are currently built, under construction, or announced, with more than 12 million square feet in the City.

Additionally, Oak Cliff's AT LAST! urban boarding experience facility opened, and Dallas College and E Smith Communities celebrated the opening of the Lancaster Innovation Center. The Innovation Center is located in the former Urban League building in the Transit-Oriented Development (TOD) TIF District in southern Dallas, and offers training in soft skills, job readiness (robotics and construction), and financial literacy.

# STRATEGIC DIRECTION

## ONE DALLAS

During 2020, the global COVID-19 pandemic brought unprecedented change to our city, exacerbating existing inequities, testing the resilience of residents and the systems in place to support them, and straining our city's resources. We placed many planned initiatives on hold as we contended with the public health crisis and ensuing sea change in the logistics of how we live, work, and support each other as One Dallas. We met these changes with persistence in our ongoing commitment to putting Service First. It required imagining new, non-traditional, and more efficient ways of safely meeting the needs of our residents, as ever, with empathy, high ethical standards, a commitment to excellence, and a focus on equity.

Despite the pandemic, it is truly an exciting time to live in Dallas. Thoughtful, agile, and future-oriented management contributed to a city that thrived and defied national trends in FY 2021. We lowered our property tax rate for homeowners for the fifth straight year, tourism is rebounding, private investment is flourishing, unemployment dropped 2 percent from the prior year, pay rose faster than the national average, and overall crime is trending downward with significant progress in violent crimes. With a robust economic recovery underway, and substantial federal support received from the CARES Act Coronavirus Relief Fund and the American Rescue Plan Act State and Local Fiscal Recovery Fund, we are training our gaze beyond simple recovery and thinking intentionally about how we manage through and tackle the challenges of a post pandemic world. The \$3.9 billion budget for FY 2021 focused on emergency response, clean water, trash pickup, road repair, libraries, and parks.

We employ a biennial budgeting process to provide stability and strategic focus throughout budget development. To help organize the work we do on a day-to-day basis, the City Council and City Manager established eight strategic priorities:

- Economic Development
- Environment and Sustainability
- Government Performance and Financial Management
- Housing and Homelessness Solutions
- Public Safety
- Quality of Life, Arts, and Culture
- Transportation and Infrastructure
- Workforce, Education, and Equity

# MAJOR BUDGET INVESTMENTS

## ECONOMIC DEVELOPMENT

### *Strategic Economic Development Plan*

In FY 2021, the Office of Economic Development established a framework for the City's economic development strategy. This framework will guide policy and advance equitable development to unlock the full potential of the local economy by dismantling barriers and expanding opportunities for all Dallas residents. In May 2021, the City Council approved a new Economic Development Policy, which will have a one-year alignment period followed by a 10-year implementation period. The policy will include new programs and policies such as economic and racial inclusion, land use and zoning, economic incentives, and more.

### *Incentivizing economic investments*

Tax increment financing (TIF) is an economic development tool Dallas uses to target investment in defined areas that face challenges to traditional development. As a TIF district grows, increases in property tax revenues from higher property values are paid into a special fund to finance additional improvements to the district. The City continues to receive the amount of property tax it received the year the TIF was created, plus a percentage of new tax revenue. The City currently has 19 active TIF districts, in which we reinvested \$99 million in FY 2021. As of September 30, 2021, the certified taxable value of real property in TIF districts increased 7.5 percent from tax year 2020 to tax year 2021 (compared to a 4.5 percent increase for Dallas as a whole). Since the inception of each TIF district, the aggregate taxable value of real property in TIF districts has grown 452 percent.

### *Tax abatements*

Tax abatements are economic development tools that provide a temporary abatement of either real estate, personal property, sales tax, or hotel occupancy taxes for new investment within the City of Dallas. The City has three major types of tax abatement programs: Historic Preservation Program, Public Private Partnership Program, and Tax Increment Financing Program. The Historic Preservation Program encourages economic development through the revitalization and preservation of the City's historic properties. The Public Private Partnership Program is used to stimulate private investment and job creation in the City. The Tax Increment Financing Program is utilized to promote development or redevelopment in certain areas of the City. The expected long-term benefits include encouraging capital improvements, increasing the tax base, and creating or retaining jobs in the City.

# MAJOR BUDGET INVESTMENTS

## *Organizational realignment*

Finally, we reorganized our building departments to improve permitting, planning, and zoning. The reorganization is focused on more proactive engagement with stakeholders who regularly conduct permitting and planning activities, setting in motion change management, process improvement, real-time metrics, innovative ideas, and a swift, but thorough, positive customer experience.

## ENVIRONMENT AND SUSTAINABILITY

### *Advancing Comprehensive Environmental and Climate Action Plan (CECAP)*

Access to affordable and nutritious food is a critical need in our city. The North Texas Food Bank estimates that one in five children in North Texas live in food-insecure households. Food access is so essential that one of the eight goals of CECAP, adopted by the City Council on May 27, 2020, states that all Dallas communities must have access to healthy, local food. To that end, in FY 2021, the City implemented two actions tied to this goal. First, the City created a Food Advisory Council, bringing together a diverse group of stakeholders to shape food policy for the region. Members include farmers, food advocates, nonprofits, restaurants, chefs, food suppliers/grocers, public health experts, and at least one member from the community that lacks food access. Second, the City Council approved a special events ordinance that encourages procurement of locally sourced food, recycling of waste generated, and compost bins at special events.

Additional CECAP initiatives completed in FY 2021 include developing a community solar program framework, creating a green procurement plan for the City, and promoting tree planting and drought-tolerant landscapes as recommended in the Urban Forest Master Plan.

### *Sanitation service delivery*

To further reduce waste and achieve collection efficiency goals laid out in CECAP, the City launched changes to brush and bulk trash collection in FY 2021 and began charging a fee for brush and bulk trash that did not meet set-out requirements, to offset additional collection costs.

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# MAJOR BUDGET INVESTMENTS

## GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT

### *Minimum wage*

The City is one of the largest employers in Dallas, and as such, it is important we set a good example for others in the private and public sectors. Despite financial challenges in FY 2020, the City went above and beyond its previous commitment and increased the wage floor in FY 2021 to \$14.00 per hour for all City employees, including full-time, part-time, temporary, and seasonal employees.

## HOUSING AND HOMELESSNESS SOLUTIONS

### *Developing affordable housing*

To address Dallas' pressing need for affordable housing, the City launched an affordable housing nexus study in FY 2021. The nexus study provided a foundation for the City to consider a range of flexible affordable housing strategies beyond traditional Housing & Urban Development (HUD) funded programs.

## PUBLIC SAFETY

### *Alternatives to police response*

In Dallas, as in many cities, police officers are expected to do more than protect. We ask them to stand in the gaps in our systems – from housing to employment to health care – a role for which they are not equipped. This continual expansion of responsibility perpetuates a cycle of over-policing and under-resourcing in our most marginalized communities. It also prevents other more qualified individuals from addressing the unique needs of our diverse residents. In FY 2021, the City refocused the Dallas Police Department on enhancing safety and promoting justice for all residents.

Based on recommendations from residents, faith and education leaders, community activists, neighborhood groups, the City Council, and other stakeholders, we continued to implement our action plan rooted in inclusion, equity, and justice to produce R.E.A.L. Change—policing that is Responsible, Equitable, Accountable, and Legitimate—setting a new vision that improves safety for all.

R.E.A.L. Change required us to focus even greater attention on key areas with immediate, short-term, and long-term strategies to build and improve community relations, engage in outcome-based actions, and create safer neighborhoods across the City. FY 2021 investments included alternatives to policing that match the response to the need, from deploying mobile crisis response teams to developing an alternative pathway for dealing with public intoxication arrests. It also supported accountability and oversight of the police department, as well as improved training in alignment with the principles of 21st Century Policing.

# MAJOR BUDGET INVESTMENTS

## *RIGHT Care*

The City launched the RIGHT Care program in January 2018 to respond to certain 911 calls, when providing access to appropriate health services would mitigate behavioral health crises and avoid unnecessary hospitalization, arrests, and interactions between residents and law enforcement. In FY 2021, we added four new teams and new clinical resources for assessment and follow-up case management.

## *Mobile crisis response*

Along with the expansion of RIGHT Care, we removed barriers to behavioral health care in communities with limited or no access to those services. In FY 2021, we formed a mobile crisis response team to support police officers when residents need direct services such as food, housing, transportation, or shelter in cases of domestic violence.

## *Recovery services center*

We heard from community members that we should increase our efforts to prevent incarceration whenever possible, especially for minor offenses. Research has shown jail admissions can have detrimental impacts on job opportunities, housing, and physical and mental health. To begin addressing this issue, we created an alternative pathway for dealing with public intoxication arrests, a Recovery Services Center, staffed with case workers who will help individuals identify and manage substance use disorders, in addition to providing safe monitoring during custody and transportation home.

## *Adding light, remediating blight*

We boosted investment in remediating environmental issues such as blight and adding outdoor lighting in high-violence locations, evidence-based solutions shown to reduce crime and enhance a sense of community. In FY 2021, we created the Office of Integrated Public Safety Solutions to partner with City departments and outside agencies to mitigate circumstances that encourage or contribute to violent crime in high-risk areas of Dallas, identified using risk terrain modeling.

## *Transitioning responsibility*

In FY 2020, the City began implementing recommendations from the staffing and efficiency study conducted by KPMG Management Consulting. In FY 2021, we continued the effort to transition support responsibilities to non-uniformed staff by hiring 95 non-uniformed employees. These additional resources filled roles in areas such as communications, technology, and personnel that were previously performed by uniform personnel. This effort enabled officers to focus on patrol, rather than administrative duties.

# MAJOR BUDGET INVESTMENTS

## QUALITY OF LIFE, ARTS, AND CULTURE

### *Lifelong learning*

Dallas Public Library strengthens communities by connecting people, inspiring curiosity, advancing lives, and working for racial equity. In FY 2021, we opened two new state-of-the-art branch libraries. Vickery Park Branch Library, featuring a youth center with cutting edge technology, opened in February 2021. Forest Green Branch Library opened in September 2021 and replaced the original 1976 building, which was the smallest of all Dallas libraries.

### *The digital divide*

Addressing the digital divide is paramount to achieving equity; as the digital economy grows, digital inclusion represents economic inclusion. We continued bridging the digital divide by making additional mobile hot spots and laptops available for checkout at select libraries. In addition to tackling inequity in internet access, this program also provided an alternative way to serve residents despite reduced library hours resulting from COVID-19. By December 2020, there were 3,000 hot spots available for checkout through Dallas Public Library and by June 2021, there were 1,125 laptops available.

### *Safe communities*

The FY 2021 budget targeted illegal dumping by investing \$500,000 to add three new mow/clean crews in Code Compliance (CCS). CCS added nine new nine positions for the three new crews, as well as six additional Code Officers to proactively identify illegal dumping sites and place cameras in chronic dumping areas. CCS is actively tracking illegal dumping cases in coordination with the Marshal's Office. These efforts in blight remediation aim to reduce crime and enhance the sense of community.

### *Engaging our teens*

In order to give our youth more opportunities to engage in positive activities, particularly when out of school, we reintroduced the Youth Support Services Division (YSSD). YSSD leads outcome-based programs designed to reduce truancy, arrest, and incarceration rates for Dallas teens. The division is housed in Park and Recreation but works closely with the Office of Arts and Culture, Library, and DPD. YSSD is the umbrella for the Teen Recreation (TRec) program, which focuses on arts and culture, community engagement and service, health and wellness, leadership and life skills, and Science, Technology, Engineering, and Math (STEM). In July 2021, TRec programming opened at 14 recreation centers and began offering activities such as sports, games, performing and fine arts, technology, and fitness.

# MAJOR BUDGET INVESTMENTS

## TRANSPORTATION AND INFRASTRUCTURE

### *Equitable infrastructure investments*

We dedicated \$8.6 million to make equitable investments in streets, alleys, sidewalks, and other infrastructure for underserved neighborhoods and near schools and senior centers. The funding supported maintenance and repair methods such as partial reconstruction, rehabilitation, and resurfacing that extend the useful life of streets by 10 to 20 years. Public Works exceeded projections for FY 2021, completing projects in more than 95.7 lane miles in targeted areas using the new equity framework.

### *Extending water and sewer service to all residents*

To increase equity across our water and wastewater systems and provide service to all residents, we established an Unserved Areas Program with the goal of eliminating all occupied unserved water and wastewater areas throughout the City within 10 years. Accomplishing this goal within the desired timeframe requires an annual budget of \$3 million, which we supported through a dedicated 0.5 percent increase in DWU's street rental fee. In FY 2021, design and construction projects were awarded by the City Council for three of the 46 occupied unserved areas.

### *Sidewalk Master Plan*

Adequate sidewalk networks improve mobility for everyone, but particularly for residents with disabilities. To increase mobility, we implemented the Sidewalk Master Plan, completed in June 2021, which used a data-driven strategic methodology that scored and prioritized sidewalk projects based on considerations of equity, places of public accommodation, street classification, citizen input, pedestrian safety, and activity areas. The Sidewalk Master Plan identified priority projects that will result in the greatest increase in accessibility and safety. In FY 2021, we provided \$9.4 million in bond funds for Public Works to implement the master plan, which resulted in about 21 miles of sidewalk improvements.

### *Americans with Disabilities Act (ADA) improvements*

To increase accessibility for residents with disabilities, we invested funding to update City facilities in compliance with the Americans with Disabilities Act. The Office of Equity & Inclusion and Building Services identified \$619,000 in high-priority ADA accessibility projects at several City facilities. FY 2021 projects included the City Hall garage and exterior ramp, Municipal Court building, North Central Police station, Mildred Dunn recreation center, and access ramp work at the MLK Complex.



# MAJOR BUDGET INVESTMENTS

## *Bike lanes*

The City of Dallas Strategic Mobility Plan (DSMP), adopted in FY 2021, recognized the role that transportation plays in achieving larger community goals, such as health, equity, and sustainability. The DSMP contemplates all forms of transportation, including biking, walking, transit, automobiles, and other emerging mobility options. In FY 2021, we maintained our \$1.5 million investment in bike lane infrastructure, completing 1.1 miles of buffered bike lanes on West Commerce Street and awarding engineering and construction contracts for other various projects.

## WORKFORCE, EDUCATION, AND EQUITY

### *Empowering residents through financial stability*

Financial empowerment centers (FECs) are an evidence-based model pioneered by the Center for Working Families and the Cities for Financial Empowerment Fund for helping low- and moderate-income residents improve their financial stability. FECs serve every generation in the household, from children and youth to working adults and seniors, through integrated delivery of services such as one-on-one financial coaching and other resources for navigating out of poverty. In FY 2021, the Office of Community Care (OCC) launched two pilot FECs at City Square and International Rescue Committee sites to support housing stability, health, and employment through collective impact partnerships with local nonprofits and other community-based organizations. Services are provided in English and Spanish, offered to all residents, and include financial case management, financial education, matched savings opportunities, homebuyer and homeowner education and counseling, budget development, basic skills training, and connections to job training and placement services.

### *Meeting residents' basic needs*

In FY 2021, we invested \$1.35 million to address the drivers of poverty and meet residents' basic needs, including rent assistance, expanded utility assistance, food assistance and distribution, benefits access and navigation, and clothing and school uniform distribution. OCC manages this funding, while Information and Technology Services maintains an information management system to enable consistent and systematic interagency referrals for services. The Drivers of Poverty procurement was approved by the City Council in September 2021 and programming with nonprofit partners began in October 2021.

# MAJOR BUDGET INVESTMENTS

## *Increasing language access*

Language and cultural barriers often hinder or even prevent residents with limited English proficiency from using City services. We made several changes in FY 2021 to establish the City as a trusted primary source for information and ensure residents with limited English proficiency have equal access to programs and services. The Office of Communications, Outreach, and Marketing (COM) established a Virtual Language Center with written, spoken, and interpreted messages and programs. The Center creates or reviews and edits all materials in Spanish, whether translated by staff who earn language proficiency pay or automatically by Microsoft Office, Google, or other translation tools. To assist more residents in their primary languages, the City also continued utilizing software such as Babylon and LanguageLine, which provide on-demand translation services for more than 230 languages including Vietnamese, Arabic, French, Burmese, Hindi, Korean, Swahili, and Mandarin. The FY 2021 budget also supported two new Spanish-speaking customer service agents in the 311 Customer Service Center, with more bilingual positions planned to be added in FY 2022.

## *Fair Park Multimedia Center*

Each year, the City receives funds from cable companies in PEG (public, educational, and governmental) fees, which we use to pay for infrastructure to support public access TV channels. In 2016, the City Council approved using PEG funds to build a multimedia studio at Fair Park, which became fully operational in FY 2021. The Fair Park Multimedia Center magnifies the impact of City programs and services, broadcasting a Spanish-language City television channel, providing apprenticeships for local students, and bolstering resilience through additional digital communications capacity. The apprenticeship program began in February 2021 with two students from Thomas Jefferson P-TECH High School, who helped produce City Council meetings in addition to other communications and outreach projects.

## *Equitable service delivery*

The City consolidated its offices of Equity, Fair Housing & Human Rights, Resilience, and Welcoming Communities & Immigrant Affairs into the Office of Equity & Inclusion, effective October 1, 2020. The office ensures equitable service delivery by helping City staff and the community identify and oppose the stigma residents may face because of their identity or circumstance.

# MAJOR BUDGET INVESTMENTS

## *Reentry services*

More than 600,000 people are released from prison each year, and nearly two-thirds of them will be rearrested within three years of release. To counteract this trend, the City added \$1 million annually, split between the Office of Community Care and the Office of Economic Development, to enhance existing programs that support formerly incarcerated people reentering public life, including housing placement, job skills training, job placement, and wraparound support services. The City Council approved contracts with Re-entry Services providers in September 2021 and programming began in October 2021. Additionally, the City received a \$250,000 grant from the Texas Department of Criminal Justice to connect individuals to community-based services prior to their release. The City partnered with the Regional Black Contractors Association, which enrolled and assisted 41 clients throughout FY 2021.

## COVID-19 RESPONSE

### *Integrating COVID-19 funding to maximize impact*

The City received \$335 million from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as additional federal, state, and private funding sources to respond to the COVID-19 public health crisis. This included \$234.4 million from the U.S. Treasury Coronavirus Relief Fund (CRF). In FY 2021, Congress passed the American Rescue Plan Act, and Dallas received \$355.4 million in local fiscal recovery funds. In partnership with our elected leaders, stakeholders, and residents, we formulated a plan to maximize impact by making targeted investments in the community, weaving this funding throughout our major budget initiatives in the upcoming fiscal year.

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# AWARDS & ACCOLADES

The pages below highlight several of Dallas' award-winning achievements in FY 2021.

## PURSUING FINANCIAL EXCELLENCE

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dallas for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized report that satisfied both generally accepted accounting principles and applicable program requirements. The City first received this award for FY 1981 and has received it consecutively for the past 15 years—every year since FY 2006.

A Certificate of Achievement is valid for a period of only one year. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2020. This is the highest award in governmental budgeting. To receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device. This is the 22<sup>nd</sup> consecutive year that GFOA has recognized the City for its annual budget document.

Lastly, the City received the International City/County Management Association (ICMA) Certificate of Excellence in Performance Management, the highest level of recognition. The Budget Accountability Report (BAR), Dallas 365 dashboard, Financial Transparency website, Community Survey results, and other Citywide efforts to enhance transparency are best practices that helped us achieve this distinction. Since 2014, the City has received the Certificate of Distinction award three times and the Certificate of Excellence award five times.

## GOING GREEN

Dallas achieved a Federal Emergency Management Administration (FEMA) Community Rating System grade of 4, for improvements to the floodplain management program. This gives Dallas residents additional programmatic discounts for their flood insurance premiums. Dallas is the first city in Texas to achieve this designation.

# AWARDS & ACCOLADES

It was another big year for the Comprehensive Environment and Climate Action Plan (CECAP). In June, the plan was cited for a national American Planning Association Award for Sustainability, by the APA Sustainable Communities Division, and Dallas was also awarded the North Central Texas Council of Governments (NCTCOG) Celebrating Leadership in Development Excellence (CLIDE) award, citing that CECAP puts inclusivity and equity at the forefront of implementation by contemplating equity considerations for marginalized communities.

In February, Susan Alvarez, Assistant Director of Office of Environmental Quality (OEQ), was awarded the AIA Dallas Community Honor - Sustainability Commendation for her work on developing and implementing CECAP. This award is given to public officials, community groups, business owners and design professions for taking chances on behalf of the environment and the design community. In September, also for her efforts on CECAP, Susan Alvarez was nominated to the Southern Great Plains Author Team for the Fifth National Climate Assessment, a two-year national climate data compilation and assessment effort under the US Global Change Research Program.

## SHARING THE “LOVE”

For the third year in a row, Dallas Love Field airport earned the Airport Service Quality (ASQ) Award for Best Airport in North America in its size category. The ASQ program, administered by Airports Council International, is based on in-airport customer surveys and is the world’s leading airport passenger service and benchmarking program measuring passengers’ satisfaction across 34 key performance indicators. Love Field was also named to Travel + Leisure’s Top 10 Domestic Airports for the sixth straight year, and The Points Guy named Dallas Love Field the Best Mid-Sized US Airport.

## CARING FOR OUR FOUR-LEGGED FRIENDS

In FY 2021, Dallas Animal Services’ (DAS) dog and cat euthanasia rate reached a record-low, decreasing 9 percent compared to FY 2020 and 78 percent since FY 2017. DAS also saw fewer loose and loose owned dog service requests (down 30 percent from FY 2020) and an 8 percent decrease in loose and loose owned dog bites compared to last fiscal year. DAS continued its commitment to increasing community pet owner support services with the launch of its Pet Food Pantry and free in-field dog microchipping program. Additionally, Dallas remains a Mars’ Certified Better City for Pets and DAS partnered with BISSELL PET FOUNDATION to host five successful adoption events in FY 2021 that resulted in \$35,000 in funding from the foundation.

# AWARDS & ACCOLADES

## ENCOURAGING ECONOMIC DEVELOPMENT

Several projects facilitated by the Office of Economic Development earned consideration for Best Real Estate Deal of the Year from the Dallas Business Journal. The Best Real Estate Deal Awards celebrate the best North Texas commercial real estate projects. The projects included 4315 Innovation Center and At Last! Development (finalists, Community or Neighborhood Impact), Equinix DA11 development (finalist, Data Center), Thompson Dallas in The National (winner, Hospitality and Mixed-Use Development), Continental Gin (winner, Rehab/Reuse) and Hillcrest Village (finalist, Retail/Restaurants). Additionally, the Office of Economic Development received certification as an Accredited Economic Development Organization (AEDO) by the International Economic Development Council. Dallas is one of only 66 organizations to have received the AEDO recognition, an elite and internationally recognized accreditation demonstrating high professionalism and technical expertise.

## STRIVING FOR EQUITY

The Office of Equity continued its successful partnership with the Communities Foundation of Texas to issue the Equity Indicators Report, which provides a racial and socioeconomic disparities index that serves as the focus of community and institutional partnerships to advance equity within the City.

Through the efforts of the Office of Welcoming Communities and Immigrant Affairs, Dallas became the first city in Texas to earn Certified Welcoming status in recognition of its inclusiveness for immigrants and refugees. Additionally, the National League of Cities bestowed the Cultural Diversity Award on the City for the successful launch of Dallas' Culture Pass, which allows all Dallas Public Library cardholders to access free tickets at more than 35 arts organizations.

Finally, Dallas earned a perfect score (100) on the Human Rights Campaign Foundation's 2020 Municipal Equality Index for the sixth consecutive year. HRC's index score demonstrates the ways municipalities can and do support the LGBTQ community in their city. Dallas received recognition for having single-occupancy and all-gender facilities, transgender-inclusive health-care benefits, and openly LGBTQ elected or appointed municipal leaders.

# FINANCIAL INFORMATION

## FINANCIAL REPORTING ENTITIES

The financial statements of the City include all activities, organizations, and functions for which the City is financially accountable. In addition to the general government, enterprise, and internal service functions described in the *About Dallas* section of this transmittal letter, 19 tax increment financing districts are also included in the City's reporting entity.

Although the pension trust funds are separate legal entities, they exist to exclusively serve or benefit the City's employees, retirees, and their beneficiaries, and are included in the City's reporting entity as blended component units. The pension trust funds include: Employees' Retirement Fund; Dallas Police and Fire Pension System; Police and Fire Supplemental Pension Fund; 401(k) Retirement Savings Plan; 457 Deferred Compensation Plan; and 457 Deferred Compensation Plan for Part-time, Seasonal, Temporary Employees, and City Councilmembers. The Love Field Airport Modernization Corporation (LFAMC) and the Trinity River Corridor Local Government Corporation (LGC) are also separate legal entities included in the City's reporting entity as blended component units. The LFAMC was created to facilitate construction at Love Field Airport, while the Trinity River Corridor LGC was created for the design, planning, development, financing, operation, and maintenance of City fee-owned property for public recreation uses in a portion of the Trinity River Corridor. More information regarding the blended component units is included in Note 1(B).

Discretely presented component units are other legally separate entities that are also included in the City's reporting entity based on the criteria set forth in the Codification of Governmental Accounting Standards, Section 2100, *Defining the Financial Reporting Entity*.

The criteria considered in determining the activities to be reported within the City's financial statements are included in Note 1(B). Based on those criteria, the following organizations are included as discretely presented component units of the City for financial reporting purposes:

- The Housing Finance Corporation issues tax-exempt mortgage revenue bonds to encourage opportunities for single-family residential home ownership among low- to moderate-income residents
- The Housing Acquisition and Development Corporation provides safe and affordable housing for low- and moderate-income persons
- The Dallas Development Fund was organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities
- The Downtown Dallas Development Authority is a separate legal entity established to promote economic development of the downtown area and improve the tax base

# FINANCIAL INFORMATION

- The North Oak Cliff Municipal Management District was organized to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, the public welfare in the District, and educational scholarships for college-bound students residing in or out of the District
- The Cypress Waters Municipal Management District was organized to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, and the public welfare in the District
- The Dallas Convention Center Hotel Development Corporation was created to promote the development of the geographic area of the city included at or in the vicinity of the Dallas Convention Center to promote, develop, encourage, and maintain employment, commerce, convention and meeting activity, tourism, and economic development in the City including specifically, without limitation, the development and financing of a convention center hotel located within 1,000 feet of the Dallas Convention Center

Related organizations not included as part of the reporting entity are the Dallas-Fort Worth International Airport, the Dallas Housing Authority, and Dallas Area Rapid Transit. The reason for not including these entities is because the City's accountability does not extend beyond appointing members to the boards.

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# FINANCIAL INFORMATION

## FINANCIAL MANAGEMENT

Strong financial management within the City begins with adherence to a comprehensive set of financial policies. The City Council originally adopted the Financial Management Performance Criteria (FMPC) on March 15, 1978, to provide standards and guidelines for the City's financial managerial decision making and to provide for a periodic review of the criteria to maintain standards and guidelines consistent with current economic conditions. The FMPC have been revised periodically since their adoption. The status of each criterion is updated annually and presented with the annual budget, at year-end, and for each debt issuance. The FMPC contains 55 criteria in seven different categories, in addition to 13 criteria specific to Dallas Water Utilities:

- Operating Program: Criteria 1-14
- Pension Program: Criteria 15-16
- Budgeting and Planning: Criteria 17-25
- Capital and Debt Management: Criteria 26-41
- Economic Development: Criteria 42-49
- Accounting, Auditing, and Financial Planning: Criteria 50-52
- Grants and Trusts: Criteria 53-55
- Dallas Water Utilities: Criteria DWU 1-13

The City's management is responsible for establishing and maintaining internal controls designed to ensure the assets of the government are protected from loss, theft, or misuse, and to ensure adequate accounting data are compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

In late 2017, the City established an Executive Finance and Controls Committee (EFCC), chaired by the Chief Financial Officer and consisting of the assistant city managers and chiefs, Chief Information Officer, City Controller, and director of the Office of Budget and Management Services. The EFCC lays the foundation for our internal control framework, monitors the external audit including any findings, and leads by example to demonstrate the City's commitment to ethics and integrity.

The City also established a new contract management program under the oversight of the Chief Financial Officer to ensure parties meet their respective commitments and deliver the intended outcomes. As part of the program, each department has authorized individuals to monitor specific aspects of contract performance.

# FINANCIAL INFORMATION

More than 200 individuals have participated in a certification program to become Dallas Contracting Officer Representatives (D-COR). The D-COR program is a collaboration between the City Controller's Office and the Office of Procurement Services designed to strengthen knowledge and standardize the City's approach to contract management, including the development of contract monitoring plans. The City Controller's Office is responsible for auditing departments' use of contract monitoring plans, as well as reviewing complex financial data when received.

The City Controller's Office is accountable for internal accounting controls designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) accountability for assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Annually, each department is required to conduct a self-assessment of internal controls. The results of these assessments are reported to the City Manager with an action plan to correct any identified deficiencies. In addition, beginning with the FY 2017 audit, each department director was required to sign a management representation letter in connection with the preparation of these financial statements. In FY 2020, the City Controller's Office significantly revised the Internal Control Self-Assessment (ICSA) and increased its scrutiny of department responses to ensure quality.

Furthermore, as a recipient of federal and state assistance, the City is also responsible for ensuring adequate internal controls are in place to comply with applicable laws, regulations, contracts, and grants related to those programs. As part of the City's single audit, tests are made to determine the adequacy of the internal control, including that portion relative to federal and state financial awards, as well as to determine whether the City has complied with applicable laws, regulations, contracts, and grants.

Internal controls are also subject to periodic evaluation by management and the City Auditor. The City Council is required by charter to appoint a City Auditor who is independent of City management and reports directly to the City Council. The City Auditor supports the internal control structure within the City by performing independent evaluations of existing accounting and administrative controls and by ascertaining compliance with existing plans, policies, and procedures.

To increase accountability and internal controls, the City Controller's Office created an audit liaison function to support departments in responding comprehensively and accurately to internal audit findings and recommendations. This includes attending entrance and exit conferences and status meetings, facilitating communication between the departments and the City Auditor's Office, assisting with implementation of recommended process improvements, and updating executive management as needed.

# FINANCIAL INFORMATION

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter provides that the City Council shall annually appropriate adequate funds in an amount to execute the policies and service delivery plans of the City. City management annually prepares the plan of services for the upcoming fiscal year and the estimated costs, along with a five-year forecast. The annual plan is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The ordinance provides for budgetary control at the department level and these budgets cannot be exceeded without City Council approval. Budgetary control is enforced at the department level by reserving appropriations and encumbering purchase orders and contracts. Open encumbrances are reported, where applicable, as assigned fund balance.

## MANAGEMENT DISCLAIMER

Chapter III, Section 19 of the City Charter requires, "the annual financial statements and related records and accounts of the City to be audited annually by a firm registered with the Texas State Board of Public Accountancy as a firm practicing public accountancy." We were pleased to continue a relationship with Weaver Tidwell, LLP this year; we appreciate their professionalism.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the costs of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Thank you for your attention to this summary of the state of the City's finances and our achievements in the last fiscal year. We strive to be good stewards of the resources with which we are entrusted. Please refer to the following sections for the full auditor's report, the City's annual financial statements, and supporting statistical information.

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# FINANCIAL INFORMATION

Respectfully submitted,



T.C. Broadnax  
City Manager



M. Elizabeth Reich  
Chief Financial Officer



Sheri Kowalski, CPA, CHC, CIA, CISA  
City Controller

CITY OF DALLAS, TEXAS  
ELECTED OFFICIALS  
SEPTEMBER 30, 2021



Mayor Eric Johnson  
*At Large*



Deputy Mayor Pro Tem  
Jaime Resendez  
*District 5*



B. Adam McGough  
*District 10*



Mayor Pro Tem  
Chad West  
*District 1*



Omar Narvaez  
*District 6*



Jaynie Schultz  
*District 11*



Jesse Moreno  
*District 2*



Adam Bazaldua  
*District 7*



Cara Mendelsohn  
*District 12*



Casey Thomas, II  
*District 3*



Tennell Atkins  
*District 8*



Gay Donnell Willis  
*District 13*



Carolyn King Arnold  
*District 4*



Paula Blackmon  
*District 9*



Paul E. Ridley  
*District 14*



“Our Product is Service”  
Empathy | Ethics | Excellence | Equity

# CITY OF DALLAS, TEXAS APPOINTED OFFICIALS SEPTEMBER 30, 2021

Your elected officials, the Mayor and City Council, appoint the executive managers of the City, specifically:

- City Manager T.C. Broadnax, appointed in February 2017
- City Attorney Christopher J. Caso, appointed in April 2020
- City Auditor Mark S. Swann, appointed in May 2019
- City Secretary Bilierae Johnson, appointed in April 2018
- Municipal Court judges

The City Manager appoints an executive leadership team that collectively oversees the City's approximately 13,000 employees and a \$4.3 billion budget.



**T.C. Broadnax**  
City Manager



**Kimberly B. Tolbert**  
Chief of Staff



**Majed Al-Ghafry**  
Assistant City Manager



**Jon Fortune**  
Assistant City Manager



**Joey Zapata**  
Assistant City Manager



**Dr. Eric Johnson**  
Chief of Economic  
Development and  
Neighborhood Services



**Elizabeth Reich**  
Chief Financial Officer

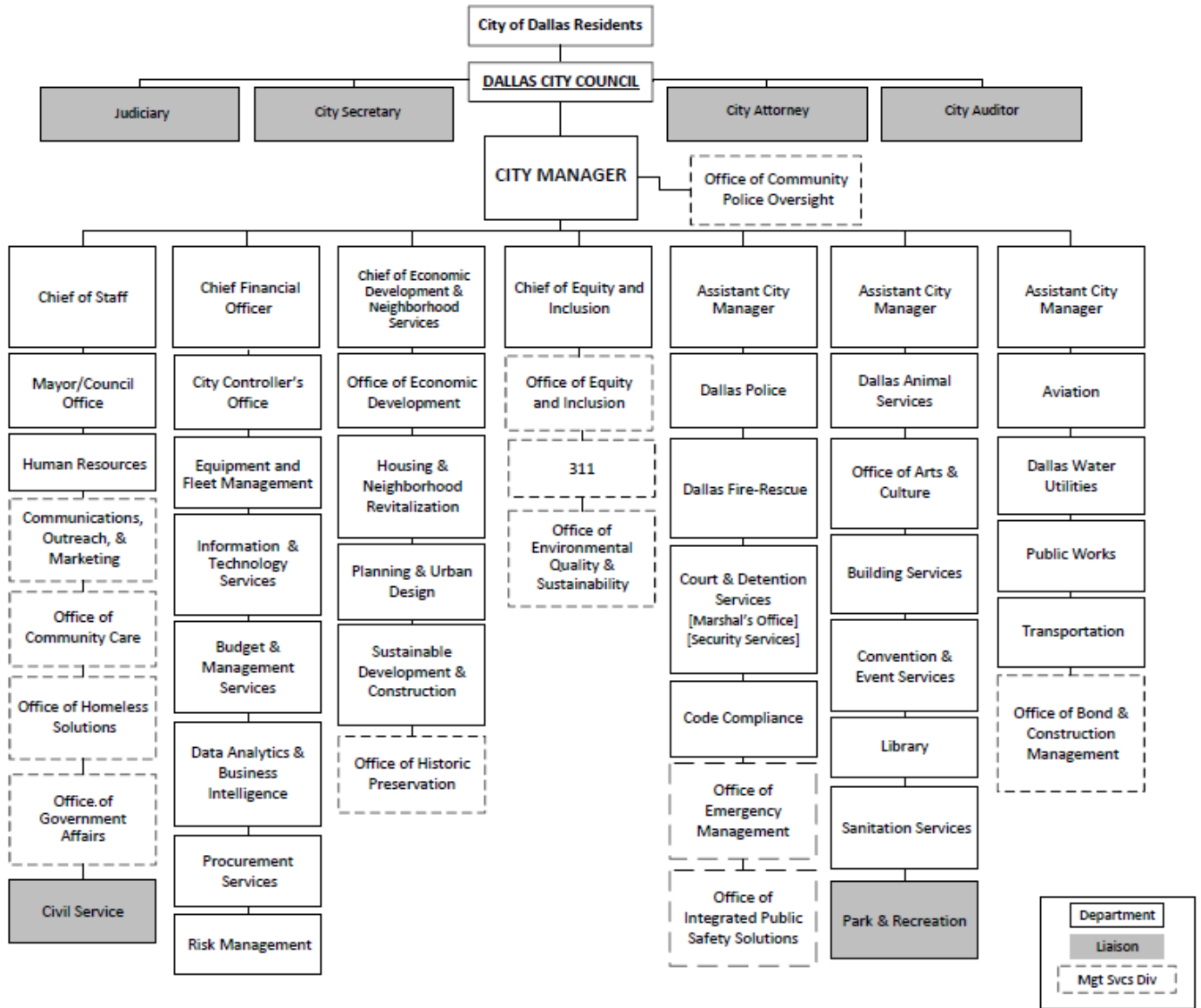


**Liz Cedillo-Pereira**  
Chief of Equity and  
Inclusion

Additionally, the City Manager appoints all department directors except:

- The Director of Civil Service, who is appointed by the Civil Service Board; and
- The Director of the Park and Recreation Department, who is appointed by the Park and Recreation Board.

# CITY OF DALLAS, TEXAS ORGANIZATIONAL CHART SEPTEMBER 30, 2021







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dallas  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO



“Our Product is Service”  
Empathy | Ethics | Excellence | Equity

# **FINANCIAL SECTION**





## Independent Auditor's Report

The Honorable Mayor and Members of City Council  
City of Dallas, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, Texas (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dallas Police and Fire Pension System and the Supplemental Police and Fire Pension Plan of the City of Dallas, which are blended component units, which represent 23%, 27%, and 13%, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information. We also did not audit the financial statements of the Dallas Housing Acquisition and Development Corporation and the Dallas Development Fund, which are discretely presented component units, which represent 1%, -14%, and 8%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 / Dallas, Texas 75201  
Main: 972.490.1970

***Emphasis of Matter***

*Restatements*

As discussed in Note 1W to the basic financial statements, during the year ended September 30, 2021, the City implemented Government Accounting Standards Board Statements No. 84, *Fiduciary Activities*, and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Beginning net position for the fiduciary funds has been restated as a result of the implementation of these statements. Our opinions are not modified with respect to these matters.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 13, and the Schedule of Changes in the City's Net Pension Liability and Related Ratios-Pension Plans, Schedule of City Contributions to Pension Plans, Notes to Schedule of City Contributions to Pension Plans, and Schedule of Changes in the City's Total Liability and Related Ratios - Other Postemployment Benefits, on pages 116 through 122, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements, budgetary comparison schedule-debt service fund, schedules of capital assets used in the operation of governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary comparison schedule-debt service fund, and schedules of capital assets used in the operation of governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual fund financial statements, budgetary comparison schedule-debt service fund, and schedules of capital assets used in the operation of governmental funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 28, 2022

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2021  
(Unaudited)

As management of the City of Dallas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. The City's management's discussion and analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual major fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, which can be found on pages v-xxviii of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$2.2 billion.
- The City's governmental activities net position increased from the beginning net position by \$857 million while the business-type activities net position increased by \$92.1 million.
- As of the close of fiscal year 2021, the City's governmental funds reported combined ending fund balances of \$1.4 billion, an increase of \$59.4 million.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$324.3 million, or approximately 23.1 percent of the total general fund expenditures, including transfers out.
- The City's governmental long-term liabilities had a net increase of \$615.8 million from the prior balance of \$7.3 billion. The City's business-type activities long-term liabilities increased \$363.3 million from the prior year's balance of \$5.1 billion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business and are made up of the following two statements: the statement of net position and the statement of activities. Both of these statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base, the condition of the City's property tax base, and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.) to assess the overall health or financial condition of the City.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and unused compensated absences).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, code enforcement, environmental and health services, streets, streets, public works, and transportation, equipment and building services, culture and recreation services, housing, and human services.

The business-type activities of the City include water and sewer utilities, convention center, airport, sanitation and landfill, municipal radio, and building inspections. The airport revenue fund includes the activities of the Love Field Airport Modernization Corporation (LFAMC), a blended component unit.

The government-wide financial statements reflect not only the activities of the City itself (known as the primary government), but also those of the seven separate legal entities for which the City is financially accountable – the Housing Finance Corporation, Housing Acquisition and Development Corporation, Dallas Development Fund, Downtown Dallas Development Authority (DDDA), North Oak Cliff Municipal Management District, Cypress Waters Municipal Management District, and Dallas Convention Center Hotel Development Corporation, which are reported as discretely presented component units separately from the primary government itself.

The government-wide financial statements can be found on pages 15-17 of this report.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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(Unaudited)

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and debt service funds, which are considered to be major funds. Data from the other twenty-two funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining financial statements section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

**Proprietary Funds:** Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or to other units within the City. Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The proprietary funds financial statements provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the airport, convention center, municipal radio, building inspection, sanitation, and water utilities operations. All of the City's enterprise funds, except the municipal radio and building inspection, are considered major funds.
- Internal Service funds accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its equipment services, communication equipment, office services, information services, risk management programs, and bond program administration. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining financial statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24-31 of this report.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's pension trust and custodial funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

**Notes to the Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements. The notes to the financial statements can be found on pages 34-115 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's combined net position was approximately \$2.2 billion as of September 30, 2021. Analyzing the net position of governmental and business-type activities separately, the governmental activities had a deficit balance of approximately \$1.4 billion and the business-type activities net position was approximately \$3.6 billion. This analysis focuses on the assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position (Table 1), and changes in revenues and expenses (Table 2) of the City's governmental and business-type activities.



**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2021  
(Unaudited)

**Table 1**  
**Net Position (in thousands)**

|                                  | Governmental Activities |                       | Business-type Activities |                     | Totals              |                     |
|----------------------------------|-------------------------|-----------------------|--------------------------|---------------------|---------------------|---------------------|
|                                  | 2021                    | 2020                  | 2021                     | 2020                | 2021                | 2020                |
| Current and other assets         | \$ 2,110,905            | \$ 1,966,928          | \$1,729,563              | \$1,445,073         | \$ 3,840,468        | \$ 3,412,001        |
| Capital assets                   | 4,702,591               | 4,452,672             | 7,287,023                | 7,186,781           | 11,989,614          | 11,639,453          |
| Total assets                     | 6,813,496               | 6,419,600             | 9,016,586                | 8,631,854           | 15,830,082          | 15,051,454          |
| Deferred outflows of resources   | 1,248,608               | 822,934               | 334,701                  | 266,528             | 1,583,309           | 1,089,462           |
| Long-term liabilities            | 7,899,192               | 7,283,358             | 5,463,184                | 5,099,930           | 13,362,376          | 12,383,288          |
| Other liabilities                | 441,587                 | 386,113               | 219,166                  | 200,221             | 660,753             | 586,334             |
| Total liabilities                | 8,340,779               | 7,669,471             | 5,682,350                | 5,300,151           | 14,023,129          | 12,969,622          |
| Deferred inflows of resources    | 1,168,173               | 1,876,833             | 51,353                   | 72,729              | 1,219,526           | 1,949,562           |
| Net position:                    |                         |                       |                          |                     |                     |                     |
| Net investment in capital assets | 3,076,715               | 2,779,462             | 3,453,373                | 3,389,626           | 6,530,088           | 6,169,088           |
| Restricted                       | 418,226                 | 477,600               | 429,744                  | 421,790             | 847,970             | 899,390             |
| Unrestricted (deficit)           | (4,941,789)             | (5,560,832)           | (265,533)                | (285,914)           | (5,207,322)         | (5,846,746)         |
| Total net position (deficit)     | <u>\$ (1,446,848)</u>   | <u>\$ (2,303,770)</u> | <u>\$ 3,617,584</u>      | <u>\$ 3,525,502</u> | <u>\$ 2,170,736</u> | <u>\$ 1,221,732</u> |

The largest portion of the City's net position reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens and, consequently, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Overall, net position of the governmental activities increased \$857 million. This was mostly due to increases in ad valorem tax and operating grants and contributions, sales tax, and charges for services, and decreases in overall expenses related mainly to other post-employment benefits and pension expenses.

Long-term liabilities increased by \$615.8 million in the governmental activities due primarily to an increase in net pension liability of \$844.1 million and an increase in developer payable of \$4.9 million, offset by net decreases in bonds, certificates of obligation, notes, and capital leases payable of \$10.5 million, a decrease in compensated absences of \$4.2 million, a decrease in other postemployment benefits of \$217 million, and a decrease in estimated unpaid claims of \$1.3 million.

The business-type activities long-term liabilities increased \$363.3 million, due mainly to an increase in bonds payable of \$66.3 million and an increase of \$260.7 million in the Water Transmission Facilities Financing Agreement, both related to Dallas Water Utilities. Additionally, the overall net pension liability in the business-type activities increased \$165.5 million. This was offset by a decrease in the overall other post-employment benefits of \$47.8 million, a decrease of \$10 million in Convention Center bonds payable, a net decrease of \$10.6 million in Aviation bonds, commercial paper, capital leases, and the obligation for the revenue credit agreement, and a net decrease of \$6.3 in bonds payable and capital leases related to Sanitation.

An additional portion of the City's net position (\$418.2 million governmental activities and \$429.7 million business-type activities) represents resources that are subject to external restrictions on how they may be used. The remaining balance in net position is unrestricted.

In governmental activities, there is a deficit unrestricted net position of \$4.9 billion as a result of long-term liabilities for items such as bonds, compensated absences, unfunded risk liabilities, net pension liability, other postemployment benefits, pollution remediation, pension obligation bonds, and sales tax liability. Because of the focus on current assets and liabilities, the City's budget is developed to address the needs of current operations. The City plans to fund long term liabilities in future budgets as those liabilities consume current assets. In business-type activities, there is a deficit unrestricted net position of \$265.5 million, primarily for items such as the sanitation landfill closure/postclosure liability, as well as compensated absences, net pension liability and other postemployment benefits for all business-type activities.

**Analysis of the City's Operations**

The table on the following page provides a summary of the City's operations for the fiscal year ended September 30, 2021, with comparative totals for the fiscal year ended September 30, 2020. The governmental activities net position increased by \$857 million and business-type activities net position increased by \$92.1 million. Key elements of these changes in net position are as shown in the following table.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2021  
(Unaudited)

**Table 2**  
**Change in Net Position (in thousands)**

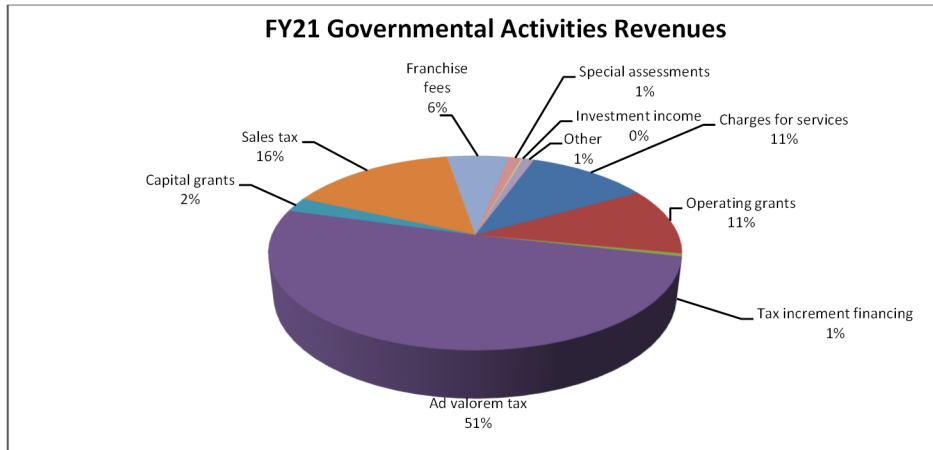
|                                            | Governmental Activities |                       | Business-type Activities |                     | Totals              |                     |
|--------------------------------------------|-------------------------|-----------------------|--------------------------|---------------------|---------------------|---------------------|
|                                            | 2021                    | 2020                  | 2021                     | 2020                | 2021                | 2020                |
| <b>Revenues:</b>                           |                         |                       |                          |                     |                     |                     |
| Program revenues:                          |                         |                       |                          |                     |                     |                     |
| Charges for services                       | \$ 257,273              | \$ 240,458            | \$ 1,036,680             | \$ 969,161          | \$ 1,293,953        | \$ 1,209,619        |
| Operating grants and contributions         | 253,997                 | 202,759               | 15,414                   | 31,095              | 269,411             | 233,854             |
| Capital grants and contributions           | 54,979                  | 48,349                | 56,880                   | 22,003              | 111,859             | 70,352              |
| General revenues:                          |                         |                       |                          |                     |                     |                     |
| Ad valorem tax                             | 1,154,660               | 1,080,445             | -                        | -                   | 1,154,660           | 1,080,445           |
| Tax increment financing revenue            | 11,136                  | 12,553                | -                        | -                   | 11,136              | 12,553              |
| Special assessments                        | 27,766                  | 28,525                | -                        | -                   | 27,766              | 28,525              |
| Sales tax                                  | 354,288                 | 314,385               | -                        | -                   | 354,288             | 314,385             |
| Franchise fees                             | 131,130                 | 125,921               | -                        | -                   | 131,130             | 125,921             |
| Hotel occupancy tax                        | -                       | -                     | 40,416                   | 41,602              | 40,416              | 41,602              |
| Alcohol beverage tax                       | -                       | -                     | 12,935                   | 9,747               | 12,935              | 9,747               |
| Investment income                          | 4,404                   | 22,885                | 4,515                    | 18,823              | 8,919               | 41,708              |
| Other                                      | 23,321                  | 12,645                | 849                      | 621                 | 24,170              | 13,266              |
| Total revenues                             | <u>2,272,954</u>        | <u>2,088,925</u>      | <u>1,167,689</u>         | <u>1,093,052</u>    | <u>3,440,643</u>    | <u>3,181,977</u>    |
| <b>Expenses:</b>                           |                         |                       |                          |                     |                     |                     |
| General government                         | 534,764                 | 455,389               | -                        | -                   | 534,764             | 455,389             |
| Public safety                              | 306,796                 | 674,112               | -                        | -                   | 306,796             | 674,112             |
| Code enforcement                           | 51,616                  | 49,083                | -                        | -                   | 51,616              | 49,083              |
| Environmental and health services          | 16,660                  | 16,281                | -                        | -                   | 16,660              | 16,281              |
| Streets, public works, and transportation  | 216,691                 | 205,933               | -                        | -                   | 216,691             | 205,933             |
| Equipment and building services            | 50,843                  | 40,137                | -                        | -                   | 50,843              | 40,137              |
| Culture and recreation                     | 179,249                 | 188,982               | -                        | -                   | 179,249             | 188,982             |
| Housing                                    | 3,528                   | 3,494                 | -                        | -                   | 3,528               | 3,494               |
| Human services                             | 32,214                  | 23,493                | -                        | -                   | 32,214              | 23,493              |
| Interest on long-term debt                 | 58,792                  | 76,948                | -                        | -                   | 58,792              | 76,948              |
| Dallas water utilities                     | -                       | -                     | 623,532                  | 591,692             | 623,532             | 591,692             |
| Convention center                          | -                       | -                     | 86,849                   | 84,969              | 86,849              | 84,969              |
| Airport revenues                           | -                       | -                     | 160,158                  | 152,267             | 160,158             | 152,267             |
| Sanitation                                 | -                       | -                     | 125,350                  | 116,743             | 125,350             | 116,743             |
| Municipal radio                            | -                       | -                     | 2,013                    | 2,870               | 2,013               | 2,870               |
| Building inspection                        | -                       | -                     | 42,584                   | 36,589              | 42,584              | 36,589              |
| Total expenses                             | <u>1,451,153</u>        | <u>1,733,852</u>      | <u>1,040,486</u>         | <u>985,130</u>      | <u>2,491,639</u>    | <u>2,718,982</u>    |
| Excess before transfers                    | 821,801                 | 355,073               | 127,203                  | 107,922             | 949,004             | 462,995             |
| Transfers                                  | 35,121                  | 45,135                | (35,121)                 | (45,135)            | -                   | -                   |
| Increase in net position                   | <u>856,922</u>          | <u>400,208</u>        | <u>92,082</u>            | <u>62,787</u>       | <u>949,004</u>      | <u>462,995</u>      |
| Net position (deficit) - beginning of year | <u>(2,303,770)</u>      | <u>(2,703,978)</u>    | <u>3,525,502</u>         | <u>3,462,715</u>    | <u>1,221,732</u>    | <u>758,737</u>      |
| Net position (deficit) - end of year       | <u>\$ (1,446,848)</u>   | <u>\$ (2,303,770)</u> | <u>\$ 3,617,584</u>      | <u>\$ 3,525,502</u> | <u>\$ 2,170,736</u> | <u>\$ 1,221,732</u> |

**Governmental Activities**

The governmental activities deficit net position decreased \$857 million in fiscal year 2021. Total revenues and transfers increased \$174 million, or 8.2 percent from fiscal year 2020. Significant changes in revenue include the following:

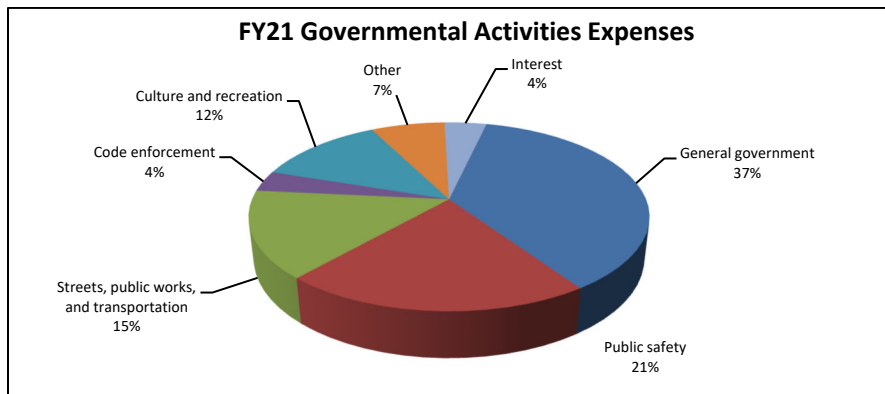
- Ad valorem tax revenues increased \$74.2 million due to an increase in the certified property tax values.
- Sales tax revenue increased \$39.9 million due to increased discretionary customer spending as the effects and restrictions related to the COVID-19 pandemic began to decline.
- Other revenue increased \$10.7 million, primarily due to an increase of \$5.7 million in gain on sale of capital asset and the receipt of \$1.5 million legal settlements and subrogation claims,
- Operating grants and contributions increased by \$51.2 million, due mainly to an increase of \$37 million in grants related to housing and rental assistance, a net increase of \$5 million Community Development Block grants, an increase of \$4.9 million in grant funding from the U.S. Department of Justice, and an increase of approximately \$4 million in Homeland Security grants.
- Capital grants and contributions increased \$6.6 million, due mainly to increases in grants for street and other infrastructure improvements.
- The average rate of return on investments decreased approximately 77 percent from 1.216 percent in fiscal year 2020 to .28 percent in fiscal year 2021. This resulted in a decrease in investment income of \$18.5 million.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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 (Unaudited)



Total governmental activities expenses decreased approximately \$283 million, or 16.3 percent, from fiscal year 2020.

- General government expenses increased \$79.4 million, primarily due to a net increase in pension and other post-employment benefit expenses, as well as additional expenses related to the COVID-19 pandemic.
- Public safety expenses decreased \$367.3 million, due mostly to increases in salaries and benefits, excluding pension expense of \$44 million, offset by decreases in pension and other post-employment benefits expenses of \$371 million and decreases in allocations from the internal service funds of \$22.6 million.
- Streets, public works, and transportation expenses increased \$10.8 million, due primarily to increases of approximately \$13 million in expenses for repairs and maintenance, offset by a net decrease of \$2.7 million in pension and other post-employment benefits expenses.
- Equipment and building services expenses increased \$10.7 million, primarily due to increased expenses related to the COVID-19 response.
- Culture and recreation expenses decreased by \$9.7 million, due primarily to a net decrease of approximately \$4 million in pension expense and other post-employment expense, in addition to overall decreases in personnel expenses related to decreased services during the COVID-19 pandemic.
- Human services expenses increased \$8.7 million, due mainly to increases related to services provided through additional grant funding, offset by a decrease in other post-employment benefits expense.
- Interest on long-term debt decreased \$18.2 million, primarily related to refunded long-term debt.
- Transfers in decreased \$10 million due to decreased amounts transferred to governmental activities from the Dallas Water Utilities and Convention Center business-type activities



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**Business-type Activities**

Business-type activities net position increased \$92.1 million during fiscal year 2021. Total revenues increased \$74.6 million from fiscal year 2020.

Significant changes in revenues include the following:

- During fiscal year 2021, Dallas Water Utilities operating revenues increased \$39.2 million from increased consumption combined with a 2.9 percent increase in wholesale rates and a 1 percent increase in retail rates. Investment income decreased \$8.6 million, due mainly to decreases in interest rates during fiscal year 2021.
- Convention Center alcohol and beverage tax increased \$3.2 million, primarily as a result the reopening of food and beverage establishments in fiscal year 2021. This increase was offset by decreases in customer charges and hotel occupancy tax of \$3.4 million and \$1.2 million, respectively, due to continuing effects of the COVID-19 pandemic. In addition, investment income decreased \$2.3 million due to decreases in interest rates during fiscal year 2021.
- During fiscal year 2021, total airport revenues increased \$31.5 million. Total revenues increased primarily due to an increase in intergovernmental and concession revenues, offset by decreases in charges for services revenues and passenger facility charges.
- Sanitation customer charges increased \$9.1 million due to a rate increase of approximately 6.6 percent.

Total business-type activities expenses increased \$55.4 million from fiscal year 2020. The following items contributed to changes in expenses during fiscal year 2021:

- Dallas Water Utilities contractual services expense increased by \$30.3 million, mostly due to a \$7.5 million increase in bad debt expense, a \$6.1 million increase in fees for street rental payments to the general fund, and a \$12 million increase in payments for disposal fees related to removal of wastewater. Supplies and materials expense increased \$4.8 million, primarily due to increases in electricity and chemical costs related to increased sales of water.
- Convention Center personnel services increased \$4.7 million due primarily to an increase in pension expense of \$4.8 million, offset by a decrease in other post-employment benefits expense of \$5 million. Contractual services decreased \$1.6 million due mainly to reduced activity during the COVID-19 pandemic.
- Airport personnel expenses increased \$2.5 million due primarily due to an increase in pension expense of \$8.3 million, offset by a decrease in other post-employment benefits expense of \$5.8 million. Contractual services expense increased \$2.4 million primarily due to increases in professional service fees.
- Sanitation personnel expenses increased \$2.2 million due primarily due to an increase in pension expense of \$11.8 million, offset by a decrease in other post-employment benefits expense of \$9.5 million. Contractual services increased \$7.1 million, due mainly to increased use of contracted services in the response to the February 2021 winter storm, combined with a nation-wide labor shortage.
- Personnel services in the nonmajor enterprise funds increased \$3.7 million, due to an increase in pension expense of \$9.1 million, offset by a decrease in other post-employment benefits expense of \$5.7 million, and a slight decrease in overall salaries. Contractual services in the nonmajor enterprise funds increased \$2.1 million, primarily due to decreases in building inspections during the COVID-19 pandemic.

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2021, the City's governmental funds reported combined ending fund balance of \$1.4 billion, an increase of \$59.4 million in comparison with the prior fiscal year fund balance. The general fund and debt service fund balances increased by \$56 million and \$23 million, respectively, while the nonmajor fund balances decreased by \$19.5 million. The increase in the debt service fund was primarily due to an increase in ad valorem related to increases in property values. The decrease in the nonmajor fund balances was mainly due to a \$17.7 million decrease in the capital projects funds, as the City is utilizing bond proceeds to finance capital improvements.

**CITY OF DALLAS, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2021  
(Unaudited)

The general fund is the chief operating fund of the City, and its fund balance increased \$56 million in fiscal year 2021 compared to the prior year's increase of \$47.5 million. This increase was primarily due to increases of \$47.7 million in ad valorem tax related to increases in property tax valuations. Additionally, sales tax revenues increased \$40 million, due to increased consumer activity as the result of steady recovery from the COVID-19 pandemic. Charges for services increased \$16.9 million, mostly related to an increase of \$2.2 million in ambulance service revenues, an increase of \$8.2 million in Ambulance Services Uncompensated Care Cost Settlement revenues, an increase of \$3.2 million in charges for indirect costs to City departments, a \$1.3 million increase in charges related to code compliance, and an increase in parks and recreation revenues of \$1.9 million, as the City's golf courses and other recreation facilities reopened after COVID-19 restrictions were lifted. Transfers in decreased \$3.7 million, mainly due to a decrease in transfers from Convention Center fund. Expenditures increased \$92.9 million overall, mainly due to increases in general government expenditures of \$23.4 million, public safety expenditures of \$56.4 million, code compliance expenditures of \$4.5 million, and streets, public works, and transportation expenditures of \$4.2 million. The general government expenditures increased mainly due to a \$4.8 million increase in payments to the Risk Fund for claims and increases in contractual services in the amount of \$1.3 million for libraries, \$2 million and \$1.2 million for courts professional services and other special services, \$1.7 million in professional services in the City Secretary's office, and \$4.3 million for other contractual services, as well as an increase of \$1.5 million in expenditures for economic development activities. Public safety expenditures increased due primarily to increases in uniform police and fire employee wages of \$41.1 million an increase in contractual services of \$15.9 million. Capital outlay expenditures decreased \$2 million, due to a decrease in equipment purchases in the general fund during fiscal year 2021. Transfers out decreased \$5.1 million, due mainly to decreases in transfers to the nonmajor governmental funds of \$1.8 million and decreases in transfers to the internal service funds of \$2.6 million.

Approximately \$324.3 million of the general fund's total fund balance of \$400.5 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it is 1) nonspendable in form or required to be maintained intact; 2) restricted for a specific purpose by constitution, external resource providers, or through enabling legislation; 3) committed by a formal action of Council for a specific purpose; or 4) assigned and intended to be used by the government for a specific purpose for contracts and purchase orders of the prior period.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.1 percent of total general fund expenditures and transfers out, while total fund balance represents 28.6 percent of that same amount.

The debt service fund had a total fund balance of \$69.6 million at September 30, 2021 restricted for the payment of debt service. The debt service fund balance increased during the current year by \$23 million primarily due to increases in ad valorem tax revenues, offset by increases in principal and interest on long-term debt.

**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in Dallas Water Utilities and Sanitation at the end of the year amounted to deficit balances of \$167.7 million, \$167.2 million. The unrestricted net position was \$102.3 million in the Convention Center and \$15 million in the Airport Revenues Fund. The total change in net position was an increase of \$56.3 million in Dallas Water Utilities, a decrease of \$9.5 million in Convention Center, an increase of \$52.2 million in the Airport Revenues Fund, and an increase of \$1 million in Sanitation. Factors regarding the finances of these funds are addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

During the fiscal year, the final amended revenue budget represented a three percent increase from the original budget and the final amended expenditure budget represented a three percent increase from the original budget.

Actual budgetary basis revenues and transfers-in were higher by \$24.1 million, or 1.6 percent from final budgeted amounts. This was primarily due to revenues being unexpectedly higher than the final budgeted ad valorem, sales tax, and other taxes and franchise fee revenues in the amounts of \$14.8 million, \$18.3 million, and \$4.5 million, respectively. These differences were primarily due to increases in property values and earlier than expected recovery of sales tax revenues as the effects of the COVID-19 pandemic began to decline. Actual budgetary expenditures and transfers out were lower than the final amended budget by \$16 million, or 1.1 percent, due mainly to most general fund departments experiencing overall cost savings during fiscal year 2021.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of September 30, 2021, the City had approximately \$12 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (see table 3). This amount represents a net increase of \$350.2 million or 3 percent over the prior fiscal year.

**Table 3**  
**Capital Assets**  
**(Net of Accumulated Depreciation, in thousands)**

|                                   | Governmental Activities |                     | Business-type Activities |                     | Totals               |                      |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
|                                   | 2021                    | 2020                | 2021                     | 2020                | 2021                 | 2020                 |
| Land                              | \$ 551,764              | \$ 516,027          | \$ 345,264               | \$ 344,243          | \$ 897,028           | \$ 860,270           |
| Artwork                           | 49,999                  | 49,953              | 5,574                    | 5,574               | 55,573               | 55,527               |
| Construction in progress          | 527,474                 | 541,801             | 1,219,339                | 1,180,155           | 1,746,813            | 1,721,956            |
| Water rights                      | -                       | -                   | 219,301                  | 222,838             | 219,301              | 222,838              |
| Buildings                         | 882,137                 | 828,151             | 1,202,449                | 1,241,674           | 2,084,586            | 2,069,825            |
| Improvements other than buildings | 483,384                 | 481,164             | 396,219                  | 418,626             | 879,603              | 899,790              |
| Equipment                         | 246,678                 | 209,373             | 308,734                  | 310,116             | 555,412              | 519,489              |
| Infrastructure assets             | 1,961,155               | 1,826,203           | 307,680                  | 318,186             | 2,268,835            | 2,144,389            |
| Utility property                  | -                       | -                   | 3,282,463                | 3,145,369           | 3,282,463            | 3,145,369            |
| <b>Totals</b>                     | <b>\$ 4,702,591</b>     | <b>\$ 4,452,672</b> | <b>\$ 7,287,023</b>      | <b>\$ 7,186,781</b> | <b>\$ 11,989,614</b> | <b>\$ 11,639,453</b> |

Some of the major additions for fiscal year 2021 included (gross additions – in millions):

|                                           |                 |
|-------------------------------------------|-----------------|
| Street and transportation improvements    | \$ 80.0         |
| Flood control/storm drainage improvements | 13.7            |
| Hall of State Restoration                 | 13.7            |
| Aquatic Facilities Project                | 11.9            |
| Signing Hills Recreation Center           | 12.8            |
| Land acquisitions                         | 41.0            |
| Equipment acquisitions                    | 91.1            |
| Water and wastewater facilities           | 187.2           |
| <b>Total</b>                              | <b>\$ 451.4</b> |

The general purpose capital improvement program provides for improvements to, and/or construction of, the City's street system; parks and recreational facilities; libraries; police and fire protection facilities; cultural art facilities; the flood protection and storm drainage systems; other City-owned facilities; and economic initiatives. General obligation bonds are the primary financing mechanism for these capital improvements.

The capital improvement program for the enterprise funds consists primarily of improvements to, and/or construction of, water and wastewater systems, and air transportation facilities. The primary financing mechanism for these capital improvements are enterprise fund net revenues and issuance of debt such as commercial paper and revenue bonds.

More detailed information about the City's capital assets is presented in Note 8 to the financial statements.

**CITY OF DALLAS, TEXAS**  
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**Debt**

At fiscal year-end, the City had \$5.2 billion in bonds for both governmental and business-type activities, an obligation for revenue credit agreement (including accrued unpaid interest), and water transmission facilities financing agreement outstanding, as shown in Table 4.

**Table 4**  
**Outstanding Debt at Fiscal Year-end (in thousands)**

|                                                   | Governmental Activities |                     | Business-type Activities |                     | Totals              |                     |
|---------------------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
|                                                   | 2021                    | 2020                | 2021                     | 2020                | 2021                | 2020                |
| General obligation bonds                          | \$ 1,667,560            | \$ 1,656,924        | \$ 2,330                 | \$ 4,346            | \$ 1,669,890        | \$ 1,661,270        |
| Certificates of obligation                        | 48,295                  | 21,200              | -                        | -                   | 48,295              | 21,200              |
| Equipment acquisition obligations                 | 17,065                  | 29,665              | -                        | -                   | 17,065              | 29,665              |
| Pension obligation bonds                          | 138,304                 | 158,703             | 63,424                   | 72,778              | 201,728             | 231,481             |
| Revenue bonds                                     | -                       | -                   | 3,224,270                | 2,749,893           | 3,224,270           | 2,749,893           |
| Water transmission facilities financing agreement | -                       | -                   | 675,491                  | 414,757             | 675,491             | 414,757             |
| Obligation for revenue credit agreement           | -                       | -                   | 88,620                   | 407,460             | 88,620              | 407,460             |
| <b>Total</b>                                      | <b>\$ 1,871,224</b>     | <b>\$ 1,866,492</b> | <b>\$ 4,054,135</b>      | <b>\$ 3,649,234</b> | <b>\$ 5,925,359</b> | <b>\$ 5,515,726</b> |

Bond proceeds for governmental activities will be used to pay costs of various equipment purchases, street systems, playgrounds, recreation facilities, library facilities, and other City infrastructure and facilities.

In November 2020, the City issued General Obligation Bonds, Series 2020, of \$162.5 million with a premium of \$20.5 million, stated interest rates ranging from 2% to 5%, and a final maturity of February 15, 2041. These bonds were issued for the purpose of refunding commercial paper notes in the amount of \$163.5 million and for financing capital construction projects.

In November 2020, the City issued Equipment Acquisition Contractual Obligations, Series 2020B, of \$24.6 million with a premium of \$3.6 million, a stated interest rate of 5%, and a final maturity of February 15, 2026. The certificates will be used for financing the purchase of City equipment.

In November 2020, the City issued General Obligation Refunding Bonds, Series 2020, of \$46.4 million, with a premium of \$2.1 million, a stated interest rate of 5%, and a final maturity of February 15, 2023. These bonds were issued to refund General Obligation Refunding Bonds, Series 2010C, in the amount of \$46.2 million. Proceeds of \$48.1 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$47.5 million are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$1.7 million. A portion of the refunding and the new bonds issued were recorded in the governmental activities of the City, and the remaining amounts were recorded in the Sanitation Enterprise Fund.

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8% to 1.25%, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$75.8 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities and the Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds.

In May 2021, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2021A and Series 2021B of \$66 million and interest rates ranging from 0.01 percent to 0.08 percent. Final maturity will occur on October 1, 2050. The bonds were issued to fund capital construction projects.

In September 2021, the LFAMC issued General Airport Revenue Bonds, Series 2021 of \$225.2 million and interest rates ranging from 4.0 percent to 5.0 percent. Final maturity will occur on November 1, 2040. The bonds were issued to refund previously issued of the obligation for the Revenue Credit Agreement. Proceeds of \$317.7 million were deposited with an escrow agent to be used to pay the outstanding amount of the refunded bonds. The refunding resulted in a difference of \$7.1 million between the net carrying amount of the old debt and the reacquisition price. This difference, reported in the accompanying financial statement as a deferred outflow of resources, is being amortized to interest expense over the life of the old bonds. Total debt service payments decreased by \$114.2 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$113.3 million.

**CITY OF DALLAS, TEXAS**  
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In previous years, the Tarrant Regional Water District (TRWD), a water control and improvement district and political subdivision of the State of Texas, issued Water Facilities Contract Revenue Bonds in February 2012 in the amount of \$131.9 million, in January 2014 in the amount of \$202.1 million in December 2015 in the amount of \$140 million, and in March 2021 in the amount of \$254 million (2021 Series A). The bonds were issued to finance the DWU share of costs for designing, acquiring, constructing, improving, repairing, rehabilitating, and or replacing water transmission facilities capable of delivering additional raw water supply to the customers of the DWU and TRWD for their respective customers (the Project). The Project is tentatively scheduled to be completed in 2027. The City's share of the total cost of the Project is estimated to be \$1 billion. Upon completion of the Project, DWU will have reserved capacity rights in the amount of 150 million gallons per day. Depending on the timing of construction, additional bonds are expected to be issued throughout the construction period. Additionally, in March 2021, The TRWD issued Water Facilities Contract Revenue Bonds, Series B, with a principal amount of \$297.3 million. The bonds were issued to partially refund \$102.1 million of Water Facilities Contract Revenue Bonds, Series 2012, and \$163.9 million of Water Facilities Contract Revenue Bonds, Series 2014.

The City's General Obligation, General Obligation Pension, Waterworks and Sewer System, General Airport Revenue, Civic Center Convention Complex, Dallas Convention Center Development Corp, and Downtown Dallas Development Authority bonds' underlying ratings as of September 30, 2021 are listed below.

|                                                  | Moody's<br>Investors<br>Service | Standard &<br>Poor's | Fitch | Kroll |
|--------------------------------------------------|---------------------------------|----------------------|-------|-------|
| General Obligation Bonds                         | A1                              | AA-                  | AA    | AA+   |
| General Obligation Pension Bonds                 | A1                              | AA-                  | AA    | N/R   |
| Revenue Bonds:                                   |                                 |                      |       |       |
| Waterworks and Sewer System                      | Aa2                             | AAA                  | AA+   | N/R   |
| General Airport Revenue                          | A1                              | A-                   | A     | N/R   |
| Civic Center Convention Complex                  | A1                              | A                    | N/R   | N/R   |
| Dallas Convention Center Development Corporation | Baa1                            | A                    | N/R   | N/R   |
| Downtown Dallas Development Authority            | A2                              | A+                   | N/R   | N/R   |

More information about the City's debt is presented in Note 11 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Dallas City Council has identified eight strategic priorities – Economic Development; Environment and Sustainability; Government Performance and Financial Management; Housing and Homelessness Solutions; Public Safety; Quality of Life, Arts, and Culture; Transportation and Infrastructure; and Workforce, Education, and Equity. Property value for the tax roll as of January 1, 2021 was \$155.9 billion; which is a 4.56 percent increase from the 2020 supplemental tax roll. The adopted fiscal year 2021-22 tax rate of \$0.7733 per \$100 valuation is a \$0.3 reduction from the fiscal year 2020-21 adopted tax rate of \$.7763. The fiscal year 2020-21 budget of \$4.3 billion is balanced, utilizing various cost containment strategies, revenue enhancements, and operational efficiencies.

With the multitude of water challenges across Texas, the City will continue to focus on maintaining infrastructure, conserving resources, and providing for future needs through replacement of aged water and wastewater mains; improvements at water treatment plants to improve reliability and water quality as well as increase capacity; continued water conservation efforts; and the TRWD integrated pipeline project to connect Lake Palestine to Dallas' water supply system to meet future needs. The water and sewer rates increased approximately 1% for fiscal year 2021-22.

The City of Dallas is experiencing areas of economic growth. The City's unemployment rate of 6.5 percent is slightly higher than the national average of 6 percent. Property tax revenue is the single largest revenue source and accounts for 57.1 percent of general fund revenue. Fiscal year 2022 will mark the tenth consecutive year of growth in property value. As the second largest revenue source in general fund, sales tax revenue is projected at \$344.3 million for fiscal year 2021-22; which is a 12.9 percent increase from the fiscal year 2020-21 budget. The combined property tax and sales tax revenues in the general fund budget is projected to increase \$90.7 million from the fiscal year 2021 budget to the fiscal year 2022 budget.

In fiscal year 2022, the City will continue to focus on service first to meet the citizens needs with empathy, ethics, excellence, and equity. This budget makes significant investments in the following areas:

**R.E.A.L Investments in Streets and Infrastructure:** We are investing millions of dollars in streets, traffic signals, sidewalks, lane markings, alleys, bike lanes, school zone flashers, and more. We are piloting a street racing remediation program and traffic calming in neighborhoods.

**R.E.A.L Investments in Clean, Vibrant, Neighborhoods:** We are improving sanitation services, strengthening code compliance, reviving arts programming, installing air quality monitors, and planting thousands of trees to keep our neighborhoods environmentally sound.



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R.E.A.L Investments in Economic Development: We are streamlining and simplifying permitting, zoning, and planning, focusing on business diversity, workforce development, entrepreneurship, and subsidizing water and sewer infrastructure to incentivize developers to build new affordable housing units.

R.E.A.L Investments in Equity: We are tackling the digital divide with more targeted investments, extending our water infrastructure further into unserved areas, developing a comprehensive racial equity plan, and prioritizing language access, rental assistance, and real-time rapid rehousing to address homelessness.

R.E.A.L Investments in Public Safety: We are continuing to reimagine public safety, investing in RIGHT Care, mobile crisis responders, enhanced lighting, blight and nuisance remediation, and violence interrupters; by hiring more police officers, raising pay for 911 operators and dispatchers, supplementing park security, and adding an ambulance.

R.E.A.L Investments in our Dedicated Staff: We are raising the minimum wage for City employees to \$15.50 per hour, reinstating market-based pay increases for uniformed employees, reinstating the merit pay program for non-uniformed employees and adding a parental leave benefit.

The City's fiscal year 2022 capital budget also provides \$323.5 million for water utilities capital improvements, \$63.9 million for City facilities, \$65.8 million for aviation facilities, \$17 million for convention and event services, \$129.8 million for economic development, \$34.4 million for parks and recreation, \$26.1 million for storm drainage management, \$12 million for sanitation services, and \$190.9 million for streets and transportation.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the City Controller's Office, at City of Dallas, 1500 Marilla, Room 2BS, Dallas, Texas 75201.

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“Our Product is Service”  
Empathy | Ethics | Excellence | Equity

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
September 30, 2021  
(in thousands)

|                                                                         | Primary Government         |                             |                     | Discretely Presented<br>Component Units |                 |
|-------------------------------------------------------------------------|----------------------------|-----------------------------|---------------------|-----------------------------------------|-----------------|
|                                                                         | Governmental<br>Activities | Business-Type<br>Activities | Total               | Governmental                            | Business-type   |
|                                                                         |                            |                             |                     |                                         |                 |
| <b>Assets</b>                                                           |                            |                             |                     |                                         |                 |
| Cash and cash equivalents                                               | \$ 1,031,644               | \$ 515,419                  | \$ 1,547,063        | \$ 24,162                               | \$ 99,705       |
| Other investments, at fair value                                        | 18,889                     | -                           | 18,889              | 2,513                                   | -               |
| Receivables, net                                                        | 271,260                    | 156,513                     | 427,773             | 1,429                                   | 6,156           |
| Internal balances                                                       | (5,763)                    | 5,763                       | -                   | -                                       | -               |
| Prepaid items                                                           | 6,172                      | 7,730                       | 13,902              | 33                                      | 371             |
| Inventories, at cost                                                    | 19,903                     | 20,070                      | 39,973              | -                                       | 574             |
| Other assets                                                            | 449                        | -                           | 449                 | 2,457                                   | 38              |
| Restricted assets:                                                      |                            |                             |                     |                                         |                 |
| Cash and cash equivalents                                               | 768,351                    | 625,355                     | 1,393,706           | 8,381                                   | 29,220          |
| Other investments, at fair value                                        | -                          | 109,229                     | 109,229             | -                                       | 35,722          |
| Future pipeline reserve capacity rights                                 | -                          | 273,063                     | 273,063             | -                                       | -               |
| Customer assessments                                                    | -                          | 684                         | 684                 | -                                       | -               |
| Escrow deposit                                                          | -                          | 15,737                      | 15,737              | -                                       | -               |
| Capital assets:                                                         |                            |                             |                     |                                         |                 |
| Land                                                                    | 551,764                    | 345,264                     | 897,028             | 16,283                                  | 27,511          |
| Artwork                                                                 | 49,999                     | 5,574                       | 55,573              | -                                       | -               |
| Construction in progress                                                | 527,474                    | 1,219,339                   | 1,746,813           | -                                       | 1,179           |
| Water rights                                                            | -                          | 353,910                     | 353,910             | -                                       | -               |
| Buildings                                                               | 1,551,049                  | 2,027,846                   | 3,578,895           | -                                       | 338,428         |
| Improvements other than buildings                                       | 774,073                    | 622,005                     | 1,396,078           | -                                       | -               |
| Equipment                                                               | 851,236                    | 914,663                     | 1,765,899           | -                                       | 42,785          |
| Infrastructure assets                                                   | 3,137,505                  | 605,088                     | 3,742,593           | -                                       | -               |
| Utility property                                                        | -                          | 4,762,677                   | 4,762,677           | -                                       | -               |
| Less accumulated depreciation                                           | (2,740,509)                | (3,569,343)                 | (6,309,852)         | -                                       | (102,777)       |
| Total assets                                                            | <u>6,813,496</u>           | <u>9,016,586</u>            | <u>15,830,082</u>   | <u>55,258</u>                           | <u>478,912</u>  |
| <b>Deferred outflows of resources</b>                                   |                            |                             |                     |                                         |                 |
| Deferred loss on refunding                                              | 4,156                      | 83,160                      | 87,316              | -                                       | -               |
| Deferred outflows of resources related to pensions                      | 1,207,678                  | 242,890                     | 1,450,568           | -                                       | -               |
| Deferred outflows of resources related to other postemployment benefits | 36,774                     | 8,651                       | 45,425              | -                                       | -               |
| Other deferred outflows of resources                                    | -                          | -                           | -                   | -                                       | 234             |
| Total deferred outflows of resources                                    | <u>1,248,608</u>           | <u>334,701</u>              | <u>1,583,309</u>    | <u>-</u>                                | <u>234</u>      |
| <b>Liabilities</b>                                                      |                            |                             |                     |                                         |                 |
| Accrued payroll                                                         | 14,370                     | 5,037                       | 19,407              | -                                       | 497             |
| Accounts payable                                                        | 81,573                     | 39,826                      | 121,399             | 309                                     | 3,627           |
| Due to other governments                                                | 4,871                      | 831                         | 5,702               | -                                       | -               |
| Contracts payable                                                       | 38,079                     | -                           | 38,079              | -                                       | -               |
| Other liabilities                                                       | 30,786                     | 2,970                       | 33,756              | 1,341                                   | 60              |
| Construction accounts payable                                           | 21,154                     | 75,001                      | 96,155              | -                                       | -               |
| Accrued bond interest payable                                           | 10,815                     | 50,638                      | 61,453              | -                                       | 14,824          |
| Unearned revenue                                                        | 228,743                    | 14,464                      | 243,207             | 15,490                                  | 5,240           |
| Customer deposits                                                       | 11,196                     | 25,940                      | 37,136              | -                                       | -               |
| Customer construction advances                                          | -                          | 4,459                       | 4,459               | -                                       | -               |
| Noncurrent liabilities:                                                 |                            |                             |                     |                                         |                 |
| Due within one year                                                     | 331,795                    | 203,612                     | 535,407             | 3,243                                   | 10,990          |
| Due in more than one year                                               | 7,567,397                  | 5,259,572                   | 12,826,969          | 85,019                                  | 437,421         |
| Total liabilities                                                       | <u>8,340,779</u>           | <u>5,682,350</u>            | <u>14,023,129</u>   | <u>105,402</u>                          | <u>472,659</u>  |
| <b>Deferred inflows of resources</b>                                    |                            |                             |                     |                                         |                 |
| Deferred inflows of resources related to pensions                       | 1,105,257                  | 36,817                      | 1,142,074           | -                                       | -               |
| Deferred inflows of resources related to other postemployment benefits  | 62,916                     | 14,536                      | 77,452              | -                                       | -               |
| Total deferred inflows of resources                                     | <u>1,168,173</u>           | <u>51,353</u>               | <u>1,219,526</u>    | <u>-</u>                                | <u>-</u>        |
| <b>Net position</b>                                                     |                            |                             |                     |                                         |                 |
| Net investment in capital assets                                        | 3,076,715                  | 3,453,373                   | 6,530,088           | 16,283                                  | (59,347)        |
| Restricted for:                                                         |                            |                             |                     |                                         |                 |
| Capital projects                                                        | 76,979                     | -                           | 76,979              | -                                       | -               |
| Debt service                                                            | 59,887                     | 288,626                     | 348,513             | 8,554                                   | -               |
| General government                                                      | 80,761                     | -                           | 80,761              | -                                       | -               |
| Storm water operations                                                  | 91,328                     | -                           | 91,328              | -                                       | -               |
| Public safety                                                           | 9,661                      | -                           | 9,661               | -                                       | -               |
| Culture and recreation                                                  | 49,939                     | -                           | 49,939              | -                                       | -               |
| Streets and transportation                                              | 23,267                     | -                           | 23,267              | -                                       | -               |
| Other purposes                                                          | 14,356                     | -                           | 14,356              | -                                       | -               |
| Permanent funds - nonexpendable                                         | 12,048                     | -                           | 12,048              | -                                       | -               |
| Emergency repairs and replacements                                      | -                          | 5,000                       | 5,000               | -                                       | -               |
| Operation and maintenance expenses                                      | -                          | 29,547                      | 29,547              | -                                       | -               |
| Passenger facility charges                                              | -                          | 106,571                     | 106,571             | -                                       | -               |
| Unrestricted (deficit)                                                  | (4,941,789)                | (265,533)                   | (5,207,322)         | (74,981)                                | 65,834          |
| Total net position (deficit)                                            | <u>\$ (1,446,848)</u>      | <u>\$ 3,617,584</u>         | <u>\$ 2,170,736</u> | <u>\$ (50,144)</u>                      | <u>\$ 6,487</u> |

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2021  
(in thousands)

| Function/Program Activities               | Program Revenues |                      |                                    |                                  |
|-------------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|
|                                           | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government:                       |                  |                      |                                    |                                  |
| Governmental activities:                  |                  |                      |                                    |                                  |
| General government                        | \$ 534,764       | \$ 130,523           | \$ 34,990                          | \$ 27,347                        |
| Public safety                             | 306,796          | 87,260               | 46,162                             | -                                |
| Code enforcement                          | 51,616           | 12,638               | 216                                | -                                |
| Environmental and health services         | 16,660           | 146                  | 63,236                             | -                                |
| Streets, public works, and transportation | 216,691          | 9,451                | 9,820                              | 21,908                           |
| Equipment and building services           | 50,843           | 1,007                | 16,997                             | -                                |
| Culture and recreation                    | 179,249          | 15,016               | 5,117                              | 5,724                            |
| Housing                                   | 3,528            | 1,232                | 4,421                              | -                                |
| Human services                            | 32,214           | -                    | 73,038                             | -                                |
| Interest on long-term debt                | 58,792           | -                    | -                                  | -                                |
| Total governmental activities             | <u>1,451,153</u> | <u>257,273</u>       | <u>253,997</u>                     | <u>54,979</u>                    |
| Business-Type activities:                 |                  |                      |                                    |                                  |
| Dallas water utilities                    | 623,532          | 675,180              | -                                  | 25,568                           |
| Convention center                         | 86,849           | 26,341               | 2,216                              | -                                |
| Airport revenues                          | 160,158          | 166,997              | 13,198                             | 31,312                           |
| Sanitation                                | 125,350          | 131,264              | -                                  | -                                |
| Municipal radio                           | 2,013            | 1,229                | -                                  | -                                |
| Building inspection                       | 42,584           | 35,669               | -                                  | -                                |
| Total business-type activities            | <u>1,040,486</u> | <u>1,036,680</u>     | <u>15,414</u>                      | <u>56,880</u>                    |
| Total primary government                  | <u>2,491,639</u> | <u>1,293,953</u>     | <u>269,411</u>                     | <u>111,859</u>                   |
| Component units:                          |                  |                      |                                    |                                  |
| Governmental                              | 37,277           | 8,368                | -                                  | -                                |
| Business-Type                             | 75,574           | 43,021               | -                                  | -                                |
| Total component units                     | <u>112,851</u>   | <u>51,389</u>        | <u>-</u>                           | <u>-</u>                         |

General revenues:

- Ad valorem tax
- Tax increment financing, intergovernmental revenue
- Special assessments
- Sales taxes
- Franchise fees
- Hotel occupancy tax
- Alcohol beverage tax
- Investment income
- Other revenues

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit), beginning of year

Net position (deficit), end of year

| Net (Expense) Revenue and Changes in Net Position |                             |                     |                    |                 |  |
|---------------------------------------------------|-----------------------------|---------------------|--------------------|-----------------|--|
| Primary Government                                |                             |                     | Component Units    |                 |  |
| Governmental<br>Activities                        | Business-Type<br>Activities | Total               | Governmental       | Business-Type   |  |
| \$ (341,904)                                      | \$ -                        | \$ (341,904)        | \$ -               | \$ -            |  |
| (173,374)                                         | -                           | (173,374)           | -                  | -               |  |
| (38,762)                                          | -                           | (38,762)            | -                  | -               |  |
| 46,722                                            | -                           | 46,722              | -                  | -               |  |
| (175,512)                                         | -                           | (175,512)           | -                  | -               |  |
| (32,839)                                          | -                           | (32,839)            | -                  | -               |  |
| (153,392)                                         | -                           | (153,392)           | -                  | -               |  |
| 2,125                                             | -                           | 2,125               | -                  | -               |  |
| 40,824                                            | -                           | 40,824              | -                  | -               |  |
| (58,792)                                          | -                           | (58,792)            | -                  | -               |  |
| <u>(884,904)</u>                                  | <u>-</u>                    | <u>(884,904)</u>    | <u>-</u>           | <u>-</u>        |  |
| -                                                 | 77,216                      | 77,216              | -                  | -               |  |
| -                                                 | (58,292)                    | (58,292)            | -                  | -               |  |
| -                                                 | 51,349                      | 51,349              | -                  | -               |  |
| -                                                 | 5,914                       | 5,914               | -                  | -               |  |
| -                                                 | (784)                       | (784)               | -                  | -               |  |
| -                                                 | (6,915)                     | (6,915)             | -                  | -               |  |
| -                                                 | 68,488                      | 68,488              | -                  | -               |  |
| <u>(884,904)</u>                                  | <u>68,488</u>               | <u>(816,416)</u>    | <u>-</u>           | <u>-</u>        |  |
|                                                   |                             |                     | (28,909)           | -               |  |
|                                                   |                             |                     | -                  | (32,553)        |  |
|                                                   |                             |                     | <u>(28,909)</u>    | <u>(32,553)</u> |  |
| 1,154,660                                         | -                           | 1,154,660           | -                  | -               |  |
| 11,136                                            | -                           | 11,136              | 33,145             | -               |  |
| 27,766                                            | -                           | 27,766              | -                  | -               |  |
| 354,288                                           | -                           | 354,288             | -                  | -               |  |
| 131,130                                           | -                           | 131,130             | -                  | -               |  |
| -                                                 | 40,416                      | 40,416              | -                  | -               |  |
| -                                                 | 12,935                      | 12,935              | -                  | -               |  |
| 4,404                                             | 4,515                       | 8,919               | 5                  | 1,573           |  |
| 23,321                                            | 849                         | 24,170              | 428                | 13,446          |  |
| 35,121                                            | (35,121)                    | -                   | -                  | -               |  |
| <u>1,741,826</u>                                  | <u>23,594</u>               | <u>1,765,420</u>    | <u>33,578</u>      | <u>15,019</u>   |  |
| 856,922                                           | 92,082                      | 949,004             | 4,669              | (17,534)        |  |
| <u>(2,303,770)</u>                                | <u>3,525,502</u>            | <u>1,221,732</u>    | <u>(54,813)</u>    | <u>24,021</u>   |  |
| <u>\$ (1,446,848)</u>                             | <u>\$ 3,617,584</u>         | <u>\$ 2,170,736</u> | <u>\$ (50,144)</u> | <u>\$ 6,487</u> |  |

**CITY OF DALLAS, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
September 30, 2021  
(in thousands)

|                                                                      | General           | Debt Service     | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------|-------------------|------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>                                                        |                   |                  |                                   |                                |
| Pooled cash and cash equivalents                                     | \$ 385,525        | \$ 69,020        | \$ 432,209                        | \$ 886,754                     |
| Other investments, at fair value                                     | -                 | -                | 18,889                            | 18,889                         |
| Receivables:                                                         |                   |                  |                                   |                                |
| Ad valorem tax                                                       | 33,769            | 13,055           | -                                 | 46,824                         |
| Sales tax                                                            | 63,476            | -                | -                                 | 63,476                         |
| Notes                                                                | 386               | -                | 65,889                            | 66,275                         |
| Special assessments-paving notes                                     | -                 | -                | 6,114                             | 6,114                          |
| Accounts                                                             | 112,025           | -                | 23,300                            | 135,325                        |
| Accrued interest                                                     | 59                | 14               | 590                               | 663                            |
| Allowance for uncollectible accounts                                 | (55,788)          | (11,250)         | (31,918)                          | (98,956)                       |
| Due from other governments                                           | 9,179             | 572              | 41,160                            | 50,911                         |
| Due from other funds                                                 | 6,124             | -                | -                                 | 6,124                          |
| Prepaid items                                                        | -                 | -                | 6,143                             | 6,143                          |
| Inventories, at cost                                                 | 16,006            | -                | -                                 | 16,006                         |
| Restricted cash and cash equivalents                                 | -                 | -                | 768,351                           | 768,351                        |
| Notes receivable from other funds                                    | -                 | -                | 4,161                             | 4,161                          |
| Total assets                                                         | <u>570,761</u>    | <u>71,411</u>    | <u>1,334,888</u>                  | <u>1,977,060</u>               |
| <b>Liabilities, deferred inflows of resources, and fund balances</b> |                   |                  |                                   |                                |
| <b>Liabilities</b>                                                   |                   |                  |                                   |                                |
| Accrued payroll                                                      | 11,916            | -                | 1,000                             | 12,916                         |
| Accounts payable                                                     | 53,387            | -                | 16,418                            | 69,805                         |
| Due to other funds                                                   | 268               | -                | 6,124                             | 6,392                          |
| Unearned revenue                                                     | 3,368             | -                | 225,375                           | 228,743                        |
| Due to other governments                                             | 3,772             | 1,098            | 1                                 | 4,871                          |
| Construction accounts payable                                        | -                 | -                | 21,154                            | 21,154                         |
| Notes payable to other funds                                         | -                 | -                | 9,656                             | 9,656                          |
| Customer deposits                                                    | 11,130            | -                | 66                                | 11,196                         |
| Contracts payable                                                    | -                 | -                | 38,079                            | 38,079                         |
| Other liabilities                                                    | 26,649            | -                | 978                               | 27,627                         |
| Total liabilities                                                    | <u>110,490</u>    | <u>1,098</u>     | <u>318,851</u>                    | <u>430,439</u>                 |
| <b>Deferred inflows of resources</b>                                 |                   |                  |                                   |                                |
| Unavailable revenue                                                  | <u>59,773</u>     | <u>748</u>       | <u>51,184</u>                     | <u>111,705</u>                 |
| <b>Fund balances</b>                                                 |                   |                  |                                   |                                |
| Nonspendable                                                         | 16,006            | -                | 12,048                            | 28,054                         |
| Restricted                                                           | 6,627             | 69,565           | 919,553                           | 995,745                        |
| Committed                                                            | 2,000             | -                | 33,252                            | 35,252                         |
| Assigned                                                             | 51,565            | -                | -                                 | 51,565                         |
| Unassigned                                                           | 324,300           | -                | -                                 | 324,300                        |
| Total fund balance                                                   | <u>400,498</u>    | <u>69,565</u>    | <u>964,853</u>                    | <u>1,434,916</u>               |
| Total liabilities, deferred inflows, and fund balances               | <u>\$ 570,761</u> | <u>\$ 71,411</u> | <u>\$ 1,334,888</u>               | <u>\$ 1,977,060</u>            |

**CITY OF DALLAS, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
September 30, 2021  
(in thousands)

Total fund balances - governmental funds \$ 1,434,916

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

|                                   |                    |           |
|-----------------------------------|--------------------|-----------|
| Land                              | 550,068            |           |
| Artwork                           | 49,999             |           |
| Construction in progress          | 527,474            |           |
| Infrastructure assets             | 3,135,683          |           |
| Buildings                         | 1,546,614          |           |
| Improvements other than buildings | 773,004            |           |
| Equipment                         | 736,392            |           |
| Accumulated depreciation          | <u>(2,637,424)</u> |           |
| Total capital assets              |                    | 4,681,810 |

Deferred outflows from refunding of debt represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. 4,156

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 111,705

Internal service funds are used by management to charge the costs of certain activities, such as equipment services, communication equipment services, office services, information services, and insurance. The assets and deferred outflows and liabilities and deferred inflows of the internal service funds are included in the governmental activities in the statement of net position. (140,959)

Some long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds. Those liabilities consist of:

|                                                            |              |             |
|------------------------------------------------------------|--------------|-------------|
| Bonds payable, plus unamortized bond premium and accretion | 2,180,471    |             |
| Capital leases                                             | 103,001      |             |
| Accrued interest on bonds and notes                        | 10,815       |             |
| Developer payable                                          | 140,092      |             |
| Notes payable                                              | 19,025       |             |
| Commercial paper notes payable                             | 159,676      |             |
| Compensated absences                                       | 112,067      |             |
| Pollution remediation                                      | <u>2,996</u> |             |
| Total long-term liabilities                                |              | (2,728,143) |

Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds. These amounts consist of:

|                                |                  |             |
|--------------------------------|------------------|-------------|
| Net pension liability          | 4,635,428        |             |
| Deferred outflows of resources | (1,137,717)      |             |
| Deferred inflows of resources  | <u>1,094,874</u> |             |
|                                |                  | (4,592,585) |

Other postemployment benefits liability and related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds. These amounts consist of:

|                                         |               |                  |
|-----------------------------------------|---------------|------------------|
| Other postemployment benefits liability | 193,153       |                  |
| Deferred outflows of resources          | (34,672)      |                  |
| Deferred inflows of resources           | <u>59,267</u> |                  |
|                                         |               | <u>(217,748)</u> |

Net position (deficit) of governmental activities \$ (1,446,848)

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2021  
(in thousands)

|                                                              | General           | Debt Service     | Nonmajor<br>Governmental<br>Funds | Total               |
|--------------------------------------------------------------|-------------------|------------------|-----------------------------------|---------------------|
| <b>Revenues:</b>                                             |                   |                  |                                   |                     |
| Ad valorem tax                                               | \$ 775,518        | \$ 283,166       | \$ 94,790                         | \$ 1,153,474        |
| Tax increment financing, intergovernmental                   | -                 | -                | 11,136                            | 11,136              |
| Sales tax                                                    | 354,288           | -                | -                                 | 354,288             |
| Franchise fees                                               | 120,445           | -                | 10,685                            | 131,130             |
| Licenses and permits                                         | 9,363             | -                | 2,428                             | 11,791              |
| Intergovernmental                                            | 12,361            | 1,193            | 250,158                           | 263,712             |
| Service to others                                            | 118,897           | -                | 88,231                            | 207,128             |
| Fines and forfeitures                                        | 24,347            | -                | 1,097                             | 25,444              |
| Investment income                                            | 586               | 237              | 3,439                             | 4,262               |
| Special assessments                                          | -                 | -                | 27,766                            | 27,766              |
| Contributions and gifts                                      | 338               | -                | 29,497                            | 29,835              |
| Confiscated money awards                                     | -                 | -                | 1,820                             | 1,820               |
| Other revenues                                               | 10,805            | -                | 4,190                             | 14,995              |
| <b>Total revenues</b>                                        | <b>1,426,948</b>  | <b>284,596</b>   | <b>525,237</b>                    | <b>2,236,781</b>    |
| <b>Current expenditures:</b>                                 |                   |                  |                                   |                     |
| General government                                           | 173,809           | -                | 291,759                           | 465,568             |
| Public safety                                                | 849,288           | -                | 48,665                            | 897,953             |
| Code enforcement                                             | 45,706            | -                | 6                                 | 45,712              |
| Environmental and health services                            | -                 | -                | 16,492                            | 16,492              |
| Streets, public works, and transportation                    | 101,470           | -                | 38,028                            | 139,498             |
| Equipment and building services                              | 23,515            | -                | 11,158                            | 34,673              |
| Culture and recreation                                       | 134,021           | -                | 12,136                            | 146,157             |
| Housing                                                      | 2,632             | -                | -                                 | 2,632               |
| Human services                                               | -                 | -                | 37,590                            | 37,590              |
| <b>Debt service:</b>                                         |                   |                  |                                   |                     |
| Principal                                                    | 28,853            | 345,562          | 3,785                             | 378,200             |
| Interest and fiscal charges                                  | 2,941             | 87,366           | 562                               | 90,869              |
| Capital outlay                                               | 16,076            | -                | 365,180                           | 381,256             |
| <b>Total expenditures</b>                                    | <b>1,378,311</b>  | <b>432,928</b>   | <b>825,361</b>                    | <b>2,636,600</b>    |
| <br>                                                         |                   |                  |                                   |                     |
| Excess (deficiency) of revenues over<br>(under) expenditures | 48,637            | (148,332)        | (300,124)                         | (399,819)           |
| <br>                                                         |                   |                  |                                   |                     |
| <b>Other financing sources (uses):</b>                       |                   |                  |                                   |                     |
| Transfers in                                                 | 31,090            | 5,767            | 43,796                            | 80,653              |
| Transfers out                                                | (24,418)          | -                | (8,263)                           | (32,681)            |
| Proceeds from sale of capital assets                         | 558               | -                | 8,180                             | 8,738               |
| Premium on debt issued                                       | -                 | 20,627           | 5,628                             | 26,255              |
| Issuance of certificates of obligation                       | -                 | -                | 24,565                            | 24,565              |
| Issuance of general obligation bonds                         | -                 | 241,280          | 16,083                            | 257,363             |
| Payment to refunded bond escrow agent                        | -                 | (96,331)         | -                                 | (96,331)            |
| Inception of capital lease                                   | -                 | -                | 30,995                            | 30,995              |
| Issuance of notes                                            | -                 | -                | 159,676                           | 159,676             |
| <b>Total other financing sources (uses)</b>                  | <b>7,230</b>      | <b>171,343</b>   | <b>280,660</b>                    | <b>459,233</b>      |
| <br>                                                         |                   |                  |                                   |                     |
| Net change in fund balances                                  | 55,867            | 23,011           | (19,464)                          | 59,414              |
| <br>                                                         |                   |                  |                                   |                     |
| Fund balances, beginning of year                             | 344,631           | 46,554           | 984,317                           | 1,375,502           |
| Fund balances, end of year                                   | <b>\$ 400,498</b> | <b>\$ 69,565</b> | <b>\$ 964,853</b>                 | <b>\$ 1,434,916</b> |



**CITY OF DALLAS, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended September 30, 2021  
(in thousands)

Net change in fund balances-total governmental funds \$ 59,414

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

|                                                   |           |         |
|---------------------------------------------------|-----------|---------|
| Capital outlay                                    | 381,256   |         |
| Capital contributions                             | 15,767    |         |
| Capital assets acquired through developer payable | 2,100     |         |
| Depreciation expense                              | (140,343) |         |
| Net adjustment                                    | 258,780   | 258,780 |

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

|                                        |         |         |
|----------------------------------------|---------|---------|
| Proceeds from sale of capital assets   | (8,738) |         |
| Net gain on disposal of capital assets | 561     | (8,177) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues.

9,389

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                       |           |          |
|---------------------------------------|-----------|----------|
| Debt issued:                          |           |          |
| Premium on debt issued                | (26,255)  |          |
| Certificates of obligation            | (24,565)  |          |
| General obligation bonds              | (257,363) |          |
| Notes payable                         | (159,676) |          |
| Capital leases                        | (30,995)  |          |
| Repayments:                           |           |          |
| Capital lease liability               | 26,179    |          |
| Note principal payment                | 169,959   |          |
| Bond principal payments               | 182,061   |          |
| Payment to refunded bond escrow agent | 96,331    |          |
| Net adjustment                        | (24,324)  | (24,324) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                                                          |         |        |
|----------------------------------------------------------|---------|--------|
| Decrease in accrued interest payable                     | 600     |        |
| Amortization of premium, discount and refunding deferral | 30,540  |        |
| Accretion on capital appreciation bonds                  | 937     |        |
| Decrease in pollution remediation liability              | 290     |        |
| Increase in compensated absences                         | 4,075   |        |
| Increase in developer payable                            | (4,946) |        |
| Total adjustment                                         | 31,496  | 31,496 |

Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, compensated absences, and computer replacement, to individual funds. The change in net position for these funds is reported with the governmental activities.

2,195

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

331,131

Changes to other postemployment benefits and related deferred inflows and outflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

197,018

Change in net position of governmental activities

\$ 856,922

The notes to financial statements are an integral part of this statement.

**CITY OF DALLAS, TEXAS**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-NON-GAAP BUDGETARY BASIS**

Year Ended September 30, 2021  
(in thousands)

|                                         | <u>Budgeted Amounts</u> |                  | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|-----------------------------------------|-------------------------|------------------|-------------------------------------------|----------------------------------------------------------|
|                                         | <u>Original</u>         | <u>Final</u>     |                                           |                                                          |
| <b>Revenues:</b>                        |                         |                  |                                           |                                                          |
| Ad valorem taxes                        | \$ 825,007              | \$ 830,178       | \$ 844,970                                | \$ 14,792                                                |
| Sales tax                               | 296,324                 | 336,012          | 354,288                                   | 18,276                                                   |
| Other tax and franchise revenues        | 115,907                 | 115,907          | 120,445                                   | 4,538                                                    |
| Licenses and permits                    | 5,024                   | 5,024            | 5,007                                     | (17)                                                     |
| Intergovernmental                       | 12,112                  | 12,112           | 12,291                                    | 179                                                      |
| Services to others                      | 117,518                 | 117,513          | 121,730                                   | 4,217                                                    |
| Fines and forfeitures                   | 23,555                  | 23,560           | 25,074                                    | 1,514                                                    |
| Investment income                       | 4,483                   | 4,483            | 1,376                                     | (3,107)                                                  |
| Miscellaneous revenue                   | 6,716                   | 6,716            | 11,788                                    | 5,072                                                    |
| Total revenues                          | <u>1,406,646</u>        | <u>1,451,505</u> | <u>1,496,969</u>                          | <u>45,464</u>                                            |
| <b>Expenditures:</b>                    |                         |                  |                                           |                                                          |
| <b>General government</b>               |                         |                  |                                           |                                                          |
| City attorney's office                  | 16,978                  | 16,978           | 16,802                                    | 176                                                      |
| City auditor's office                   | 3,124                   | 3,049            | 2,842                                     | 207                                                      |
| Budget and management services          | 4,173                   | 4,093            | 3,876                                     | 217                                                      |
| Non-departmental                        | 113,462                 | 120,643          | 119,414                                   | 1,229                                                    |
| Independent audit                       | 945                     | 745              | 745                                       | -                                                        |
| City controller's office                | 8,004                   | 7,904            | 7,787                                     | 117                                                      |
| City manager's office                   | 2,918                   | 2,918            | 2,876                                     | 42                                                       |
| Municipal court - Judiciary             | 3,663                   | 3,763            | 3,690                                     | 73                                                       |
| Court and detention services            | 23,812                  | 23,312           | 22,232                                    | 1,080                                                    |
| Jail contract-Lew Sterrett              | 9,547                   | 9,547            | 9,547                                     | -                                                        |
| Civil service                           | 2,947                   | 2,922            | 2,582                                     | 340                                                      |
| Development services                    | 1,869                   | 1,669            | 1,526                                     | 143                                                      |
| Data analysis and business intelligence | 1,262                   | 1,349            | 1,344                                     | 5                                                        |
| Office of economic development          | 5,443                   | 5,443            | 5,417                                     | 26                                                       |
| Mayor and city council                  | 5,141                   | 5,141            | 5,074                                     | 67                                                       |
| Management services                     | 41,122                  | 41,386           | 37,452                                    | 3,934                                                    |
| Human resources                         | 6,055                   | 6,055            | 5,920                                     | 135                                                      |
| Procurement services                    | 3,018                   | 2,968            | 2,736                                     | 232                                                      |
| Elections                               | 1,107                   | 1,961            | 1,936                                     | 25                                                       |
| City secretary's office                 | 2,886                   | 2,954            | 2,932                                     | 22                                                       |
| Total general government                | <u>257,476</u>          | <u>264,800</u>   | <u>256,730</u>                            | <u>8,070</u>                                             |
| <b>Public safety</b>                    |                         |                  |                                           |                                                          |
| Dallas police department                | 513,535                 | 526,636          | 526,602                                   | 34                                                       |
| Dallas fire - rescue                    | 315,545                 | 324,099          | 324,067                                   | 32                                                       |
| 9-1-1 systems operations                | 16,127                  | 16,524           | 15,403                                    | 1,121                                                    |
| Total public safety                     | <u>845,207</u>          | <u>867,259</u>   | <u>866,072</u>                            | <u>1,187</u>                                             |
| <b>Code enforcement</b>                 |                         |                  |                                           |                                                          |
| Code compliance                         | 32,209                  | 33,809           | 33,563                                    | 246                                                      |
| Dallas animal services                  | 15,315                  | 15,315           | 15,073                                    | 242                                                      |
| Total code enforcement                  | <u>47,524</u>           | <u>49,124</u>    | <u>48,636</u>                             | <u>488</u>                                               |

continued

**CITY OF DALLAS, TEXAS**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-NON-GAAP BUDGETARY BASIS (continued)**

Year Ended September 30, 2021  
(in thousands)

|                                                                                                      | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|------------------------------------------------------------------------------------------------------|-------------------------|-------------------|-------------------------------------------|----------------------------------------------------------|
|                                                                                                      | Original                | Final             |                                           |                                                          |
| Public works and transportation                                                                      |                         |                   |                                           |                                                          |
| Public works                                                                                         | \$ 76,141               | \$ 75,766         | \$ 75,756                                 | 10                                                       |
| Transportation                                                                                       | 43,106                  | 42,656            | 42,271                                    | 385                                                      |
| Total public works and transportation                                                                | <u>119,247</u>          | <u>118,422</u>    | <u>118,027</u>                            | <u>395</u>                                               |
| Building services                                                                                    | <u>23,397</u>           | <u>40,466</u>     | <u>40,053</u>                             | <u>413</u>                                               |
| Culture and recreation                                                                               |                         |                   |                                           |                                                          |
| Library                                                                                              | 32,075                  | 31,775            | 30,785                                    | 990                                                      |
| Office of arts and culture                                                                           | 20,205                  | 20,130            | 20,076                                    | 54                                                       |
| Park and recreation                                                                                  | 94,313                  | 94,924            | 91,032                                    | 3,892                                                    |
| Total culture and recreation                                                                         | <u>146,593</u>          | <u>146,829</u>    | <u>141,893</u>                            | <u>4,936</u>                                             |
| Housing and neighborhood revitalization                                                              | <u>3,587</u>            | <u>3,487</u>      | <u>3,107</u>                              | <u>380</u>                                               |
| Planning and urban design                                                                            | <u>3,313</u>            | <u>3,213</u>      | <u>3,188</u>                              | <u>25</u>                                                |
| Total expenditures                                                                                   | 1,446,344               | 1,493,600         | 1,477,706                                 | 15,894                                                   |
| Excess (deficiency) of revenues over (under) expenditures                                            | (39,698)                | (42,095)          | 19,263                                    | 29,570                                                   |
| Other financing sources (uses):                                                                      |                         |                   |                                           |                                                          |
| Interfund transfers in                                                                               | 42,410                  | 42,410            | 21,027                                    | (21,383)                                                 |
| Interfund reserved and transfers out                                                                 | (6,822)                 | (4,822)           | (4,822)                                   | -                                                        |
| Total other financing sources (uses)                                                                 | <u>35,588</u>           | <u>37,588</u>     | <u>16,205</u>                             | <u>(21,383)</u>                                          |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses | <u>(4,110)</u>          | <u>(4,507)</u>    | <u>35,468</u>                             | <u>8,187</u>                                             |
| Fund balances, beginning of year                                                                     | \$ 216,663              | \$ 216,563        | \$ 267,054                                | -                                                        |
| Fund balances, end of year                                                                           | <u>\$ 212,553</u>       | <u>\$ 212,056</u> | <u>\$ 302,522</u>                         | <u>\$ 8,187</u>                                          |

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
September 30, 2021  
(in thousands)

|                                                                            | Business-Type Activities<br>Enterprise Funds |                      |                     |                  |                                 | Total             | Governmental<br>Activities-<br>Internal<br>Service Funds |
|----------------------------------------------------------------------------|----------------------------------------------|----------------------|---------------------|------------------|---------------------------------|-------------------|----------------------------------------------------------|
|                                                                            | Dallas<br>Water<br>Utilities                 | Convention<br>Center | Airport<br>Revenues | Sanitation       | Nonmajor<br>Enterprise<br>Funds |                   |                                                          |
| <b>Assets</b>                                                              |                                              |                      |                     |                  |                                 |                   |                                                          |
| <b>Current assets:</b>                                                     |                                              |                      |                     |                  |                                 |                   |                                                          |
| Pooled cash and cash equivalents                                           | \$ 239,264                                   | \$ 133,206           | \$ 46,738           | \$ 31,151        | \$ 65,060                       | \$ 515,419        | \$ 144,890                                               |
| <b>Receivables:</b>                                                        |                                              |                      |                     |                  |                                 |                   |                                                          |
| Accounts                                                                   | 107,789                                      | 7,906                | 14,720              | 24,571           | 507                             | 155,493           | 606                                                      |
| Taxes                                                                      | -                                            | 2,385                | -                   | -                | -                               | 2,385             | -                                                        |
| Accrued interest                                                           | 130                                          | 34                   | 50                  | 7                | 13                              | 234               | 22                                                       |
| Allowance for uncollectible accounts                                       | (26,511)                                     | (110)                | (11)                | (8,635)          | (14)                            | (35,281)          | -                                                        |
| Due from other governments                                                 | 123                                          | -                    | 33,559              | -                | -                               | 33,682            | -                                                        |
| Due from other funds                                                       | 268                                          | -                    | -                   | -                | -                               | 268               | -                                                        |
| Prepaid items                                                              | 7,110                                        | 185                  | 435                 | -                | -                               | 7,730             | 29                                                       |
| Inventories, at cost                                                       | 17,540                                       | 736                  | 1,538               | 256              | -                               | 20,070            | 3,897                                                    |
| <b>Restricted assets:</b>                                                  |                                              |                      |                     |                  |                                 |                   |                                                          |
| Customer assessments                                                       | 634                                          | -                    | 50                  | -                | -                               | 684               | -                                                        |
| Pooled cash and cash equivalents<br>for current debt service               | 168,524                                      | 4,187                | -                   | -                | -                               | 172,711           | -                                                        |
| Cash and cash equivalents<br>Held for construction purposes                | 21,977                                       | 3,676                | -                   | -                | -                               | 25,653            | -                                                        |
| <b>Customer deposits:</b>                                                  |                                              |                      |                     |                  |                                 |                   |                                                          |
| Pooled cash and cash equivalents                                           | 22,618                                       | -                    | -                   | 1,130            | -                               | 23,748            | -                                                        |
| Other assets                                                               | -                                            | -                    | -                   | -                | -                               | -                 | 449                                                      |
| <b>Total current assets</b>                                                | <b>559,466</b>                               | <b>152,205</b>       | <b>97,079</b>       | <b>48,480</b>    | <b>65,566</b>                   | <b>922,796</b>    | <b>149,893</b>                                           |
| <b>Noncurrent assets:</b>                                                  |                                              |                      |                     |                  |                                 |                   |                                                          |
| <b>Capital Assets:</b>                                                     |                                              |                      |                     |                  |                                 |                   |                                                          |
| Land                                                                       | 126,693                                      | 82,728               | 131,184             | 3,759            | 900                             | 345,264           | 1,696                                                    |
| Artwork                                                                    | -                                            | -                    | 5,574               | -                | -                               | 5,574             | -                                                        |
| Construction in progress                                                   | 1,145,387                                    | 1,398                | 70,981              | 1,573            | -                               | 1,219,339         | -                                                        |
| Water rights                                                               | 353,910                                      | -                    | -                   | -                | -                               | 353,910           | -                                                        |
| Buildings                                                                  | 524,746                                      | 600,487              | 896,802             | 5,267            | 544                             | 2,027,846         | 4,435                                                    |
| Improvements other than buildings                                          | 81,851                                       | 64,381               | 447,584             | 27,916           | 273                             | 622,005           | 1,069                                                    |
| Infrastructure assets                                                      | 581,537                                      | 12,652               | 4,896               | 6,003            | -                               | 605,088           | 1,822                                                    |
| Equipment                                                                  | 682,604                                      | 46,551               | 99,350              | 80,820           | 5,338                           | 914,663           | 114,844                                                  |
| Utility property                                                           | 4,762,677                                    | -                    | -                   | -                | -                               | 4,762,677         | -                                                        |
| Accumulated depreciation                                                   | (2,660,328)                                  | (409,836)            | (435,577)           | (58,925)         | (4,677)                         | (3,569,343)       | (103,085)                                                |
| <b>Total capital assets</b>                                                | <b>5,599,077</b>                             | <b>398,361</b>       | <b>1,220,794</b>    | <b>66,413</b>    | <b>2,378</b>                    | <b>7,287,023</b>  | <b>20,781</b>                                            |
| <b>Other noncurrent assets:</b>                                            |                                              |                      |                     |                  |                                 |                   |                                                          |
| <b>Restricted assets:</b>                                                  |                                              |                      |                     |                  |                                 |                   |                                                          |
| Future pipeline reserve capacity rights                                    | 273,063                                      | -                    | -                   | -                | -                               | 273,063           | -                                                        |
| <b>Held for construction purposes:</b>                                     |                                              |                      |                     |                  |                                 |                   |                                                          |
| Cash and cash equivalents                                                  | -                                            | -                    | 4,595               | -                | -                               | 4,595             | -                                                        |
| Pooled cash and cash equivalents<br>for future debt service                | 27,590                                       | 23,482               | 26,400              | -                | -                               | 77,472            | -                                                        |
| Pooled cash and cash equivalents<br>for emergency repairs and replacements | -                                            | -                    | 5,000               | -                | -                               | 5,000             | -                                                        |
| Pooled cash and cash equivalents<br>for operation and maintenance expenses | -                                            | -                    | 13,810              | -                | -                               | 13,810            | -                                                        |
| Pooled cash and cash equivalents<br>for passenger facility charges         | -                                            | -                    | 106,571             | -                | -                               | 106,571           | -                                                        |
| <b>Other investments</b>                                                   |                                              |                      |                     |                  |                                 |                   |                                                          |
| for future debt service at fair value                                      | 90,000                                       | -                    | 19,229              | -                | -                               | 109,229           | -                                                        |
| Cash and cash equivalents held by escrow agent                             | 195,795                                      | -                    | -                   | -                | -                               | 195,795           | -                                                        |
| Notes receivable from other funds                                          | 5,495                                        | -                    | -                   | -                | -                               | 5,495             | -                                                        |
| Prepaid escrow                                                             | 15,737                                       | -                    | -                   | -                | -                               | 15,737            | -                                                        |
| <b>Total other noncurrent assets</b>                                       | <b>607,680</b>                               | <b>23,482</b>        | <b>175,605</b>      | <b>-</b>         | <b>-</b>                        | <b>806,767</b>    | <b>-</b>                                                 |
| <b>Total noncurrent assets</b>                                             | <b>6,206,757</b>                             | <b>421,843</b>       | <b>1,396,399</b>    | <b>66,413</b>    | <b>2,378</b>                    | <b>8,093,790</b>  | <b>20,781</b>                                            |
| <b>Total assets</b>                                                        | <b>6,766,223</b>                             | <b>574,048</b>       | <b>1,493,478</b>    | <b>114,893</b>   | <b>67,944</b>                   | <b>9,016,586</b>  | <b>170,674</b>                                           |
| <b>Deferred outflows of resources</b>                                      |                                              |                      |                     |                  |                                 |                   |                                                          |
| Deferred loss on refunding                                                 | 74,871                                       | 1,289                | 6,944               | 26               | 30                              | 83,160            | -                                                        |
| Deferred outflows of resources related to pensions                         | 132,967                                      | 5,793                | 25,602              | 47,389           | 31,139                          | 242,890           | 69,961                                                   |
| Deferred outflows of resources related to other<br>postemployment benefits | 4,806                                        | 103                  | 999                 | 1,750            | 993                             | 8,651             | 2,102                                                    |
| <b>Total deferred outflows of resources</b>                                | <b>\$ 212,644</b>                            | <b>\$ 7,185</b>      | <b>\$ 33,545</b>    | <b>\$ 49,165</b> | <b>\$ 32,162</b>                | <b>\$ 334,701</b> | <b>\$ 72,063</b>                                         |

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (continued)**  
September 30, 2021  
(in thousands)

|                                                                        | Business-Type Activities<br>Enterprise Funds |                      |                     |                     |                                 |                     | Governmental<br>Activities-<br>Internal<br>Service Funds |
|------------------------------------------------------------------------|----------------------------------------------|----------------------|---------------------|---------------------|---------------------------------|---------------------|----------------------------------------------------------|
|                                                                        | Dallas<br>Water<br>Utilities                 | Convention<br>Center | Airport<br>Revenues | Sanitation          | Nonmajor<br>Enterprise<br>Funds | Total               |                                                          |
|                                                                        |                                              |                      |                     |                     |                                 |                     |                                                          |
| <b>Liabilities</b>                                                     |                                              |                      |                     |                     |                                 |                     |                                                          |
| Current liabilities:                                                   |                                              |                      |                     |                     |                                 |                     |                                                          |
| Accrued payroll                                                        | \$ 2,592                                     | \$ 245               | \$ 553              | \$ 1,005            | \$ 642                          | \$ 5,037            | \$ 1,454                                                 |
| Accounts payable                                                       | 11,088                                       | 7,363                | 16,094              | 4,807               | 474                             | 39,826              | 11,768                                                   |
| Compensated absences                                                   | 5,432                                        | 171                  | 989                 | 1,350               | 1,250                           | 9,192               | 3,081                                                    |
| Due to other governments                                               | 1                                            | 3                    | 199                 | 628                 | -                               | 831                 | -                                                        |
| Unearned revenue                                                       | 1                                            | -                    | 4,978               | 76                  | 9,409                           | 14,464              | -                                                        |
| Estimated unpaid health claims                                         | -                                            | -                    | -                   | -                   | -                               | -                   | 8,960                                                    |
| Estimated unpaid claims - general                                      | -                                            | -                    | -                   | -                   | -                               | -                   | 6,656                                                    |
| Workers' compensation                                                  | -                                            | -                    | -                   | -                   | -                               | -                   | 5,365                                                    |
| Accrued interest payable on notes                                      | 113                                          | 8                    | 11                  | 52                  | 21                              | 205                 | -                                                        |
| General obligation bonds                                               | -                                            | -                    | -                   | 1,554               | -                               | 1,554               | -                                                        |
| Pension obligation bonds                                               | 6,241                                        | 445                  | 585                 | 2,040               | 1,136                           | 10,447              | -                                                        |
| Pollution remediation                                                  | -                                            | 63                   | 28                  | 22                  | -                               | 113                 | -                                                        |
| Obligation for revenue credit agreement                                | -                                            | -                    | 9,280               | -                   | -                               | 9,280               | -                                                        |
| Landfill closure/postclosure                                           | -                                            | -                    | -                   | 294                 | -                               | 294                 | -                                                        |
| Capital leases                                                         | -                                            | -                    | 1,372               | 6,099               | -                               | 7,471               | -                                                        |
| Other liabilities                                                      | -                                            | -                    | -                   | -                   | 2,970                           | 2,970               | 3,159                                                    |
| Total current liabilities                                              | <u>25,468</u>                                | <u>8,298</u>         | <u>34,089</u>       | <u>17,927</u>       | <u>15,902</u>                   | <u>101,684</u>      | <u>40,443</u>                                            |
| Current liabilities (payable from restricted assets):                  |                                              |                      |                     |                     |                                 |                     |                                                          |
| Construction accounts payable                                          | 55,188                                       | 2,512                | 17,301              | -                   | -                               | 75,001              | -                                                        |
| Accrued interest payable on bonds                                      | 42,680                                       | 1,682                | 6,071               | -                   | -                               | 50,433              | -                                                        |
| Water transmission facilities financing agreement                      | 20,521                                       | -                    | -                   | -                   | -                               | 20,521              | -                                                        |
| Revenue bonds                                                          | 125,635                                      | 10,030               | 9,075               | -                   | -                               | 144,740             | -                                                        |
| Total current liabilities (payable from restricted assets)             | <u>244,024</u>                               | <u>14,224</u>        | <u>32,447</u>       | <u>-</u>            | <u>-</u>                        | <u>290,695</u>      | <u>-</u>                                                 |
| Total current liabilities                                              | <u>269,492</u>                               | <u>22,522</u>        | <u>66,536</u>       | <u>17,927</u>       | <u>15,902</u>                   | <u>392,379</u>      | <u>40,443</u>                                            |
| Noncurrent liabilities:                                                |                                              |                      |                     |                     |                                 |                     |                                                          |
| Commercial paper notes payable                                         | -                                            | -                    | 2,280               | -                   | -                               | 2,280               | -                                                        |
| Revenue bonds                                                          | 2,583,925                                    | 248,145              | 521,863             | -                   | -                               | 3,353,933           | -                                                        |
| Obligation for revenue credit agreement                                | -                                            | -                    | 81,364              | -                   | -                               | 81,364              | -                                                        |
| Accreted interest on pension obligation bonds                          | 30,316                                       | 2,163                | 2,841               | 9,911               | 5,521                           | 50,752              | -                                                        |
| General obligation bonds                                               | -                                            | -                    | -                   | 886                 | -                               | 886                 | -                                                        |
| Pension obligation bonds                                               | 49,876                                       | 3,547                | 4,672               | 16,304              | 9,088                           | 83,487              | -                                                        |
| Water transmission facilities financing agreement                      | 654,970                                      | -                    | -                   | -                   | -                               | 654,970             | -                                                        |
| Capital leases                                                         | -                                            | -                    | 66,718              | 8,256               | -                               | 74,974              | -                                                        |
| Total long-term debt                                                   | <u>3,319,087</u>                             | <u>253,855</u>       | <u>679,738</u>      | <u>35,357</u>       | <u>14,609</u>                   | <u>4,302,646</u>    | <u>-</u>                                                 |
| Other long-term liabilities:                                           |                                              |                      |                     |                     |                                 |                     |                                                          |
| Estimated unpaid claims - general                                      | -                                            | -                    | -                   | -                   | -                               | -                   | 49,650                                                   |
| Other postemployment benefits                                          | 34,614                                       | 4,090                | 4,536               | 11,147              | 5,399                           | 59,786              | 13,222                                                   |
| Net pension liability                                                  | 480,759                                      | 28,088               | 73,076              | 157,787             | 102,026                         | 841,736             | 225,721                                                  |
| Workers' compensation                                                  | -                                            | -                    | -                   | -                   | -                               | -                   | 37,750                                                   |
| Customer deposits                                                      | 22,618                                       | 2,192                | -                   | 1,130               | -                               | 25,940              | -                                                        |
| Customer construction advances                                         | 4,459                                        | -                    | -                   | -                   | -                               | 4,459               | -                                                        |
| Pollution remediation                                                  | -                                            | -                    | 383                 | -                   | -                               | 383                 | -                                                        |
| Landfill closure/postclosure                                           | -                                            | -                    | -                   | 46,432              | -                               | 46,432              | -                                                        |
| Compensated absences                                                   | 5,076                                        | 159                  | 924                 | 1,261               | 1,169                           | 8,589               | 2,878                                                    |
| Total other long-term liabilities                                      | <u>547,526</u>                               | <u>34,529</u>        | <u>78,919</u>       | <u>217,757</u>      | <u>108,594</u>                  | <u>987,325</u>      | <u>329,221</u>                                           |
| Total noncurrent liabilities                                           | <u>3,866,613</u>                             | <u>288,384</u>       | <u>758,657</u>      | <u>253,114</u>      | <u>123,203</u>                  | <u>5,289,971</u>    | <u>329,221</u>                                           |
| Total liabilities                                                      | <u>4,136,105</u>                             | <u>310,906</u>       | <u>825,193</u>      | <u>271,041</u>      | <u>139,105</u>                  | <u>5,682,350</u>    | <u>369,664</u>                                           |
| <b>Deferred inflows of resources</b>                                   |                                              |                      |                     |                     |                                 |                     |                                                          |
| Deferred inflows of resources related to pensions                      | 19,763                                       | 540                  | 4,188               | 7,687               | 4,639                           | 36,817              | 10,383                                                   |
| Deferred inflows of resources related to other postemployment benefits | 8,023                                        | 194                  | 1,679               | 2,932               | 1,708                           | 14,536              | 3,649                                                    |
| Total deferred inflows of resources                                    | <u>27,786</u>                                | <u>734</u>           | <u>5,867</u>        | <u>10,619</u>       | <u>6,347</u>                    | <u>51,353</u>       | <u>14,032</u>                                            |
| <b>Net Position</b>                                                    |                                              |                      |                     |                     |                                 |                     |                                                          |
| Net investment in capital assets                                       | 2,724,544                                    | 141,350              | 535,479             | 49,618              | 2,382                           | 3,453,373           | 20,781                                                   |
| Restricted:                                                            |                                              |                      |                     |                     |                                 |                     |                                                          |
| Debt service                                                           | 242,425                                      | 25,987               | 20,214              | -                   | -                               | 288,626             | -                                                        |
| Emergency repairs and replacements                                     | -                                            | -                    | 5,000               | -                   | -                               | 5,000               | -                                                        |
| Operation and maintenance expenses                                     | 15,737                                       | -                    | 13,810              | -                   | -                               | 29,547              | -                                                        |
| Passenger facility charges                                             | -                                            | -                    | 106,571             | -                   | -                               | 106,571             | -                                                        |
| Unrestricted (deficit)                                                 | <u>(167,730)</u>                             | <u>102,256</u>       | <u>14,889</u>       | <u>(167,220)</u>    | <u>(47,728)</u>                 | <u>(265,533)</u>    | <u>(161,740)</u>                                         |
| Total net position (deficit)                                           | <u>\$ 2,814,976</u>                          | <u>\$ 269,593</u>    | <u>\$ 695,963</u>   | <u>\$ (117,602)</u> | <u>\$ (45,346)</u>              | <u>\$ 3,617,584</u> | <u>\$ (140,959)</u>                                      |

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended September 30, 2021  
(in thousands)

|                                                  | Business-Type Activities<br>Enterprise Funds |                      |                     |                     |                                 | Total               | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--------------------------------------------------|----------------------------------------------|----------------------|---------------------|---------------------|---------------------------------|---------------------|----------------------------------------------------------|
|                                                  | Dallas<br>Water<br>Utilities                 | Convention<br>Center | Airport<br>Revenues | Sanitation          | Nonmajor<br>Enterprise<br>Funds |                     |                                                          |
| Operating revenues:                              |                                              |                      |                     |                     |                                 |                     |                                                          |
| Customer charges                                 | \$ 675,180                                   | \$ 26,341            | \$ 146,498          | \$ 131,264          | \$ 36,898                       | \$ 1,016,181        | \$ -                                                     |
| Charges to other City departments                | -                                            | -                    | -                   | -                   | -                               | -                   | 318,243                                                  |
| Charges to employees/retirees                    | -                                            | -                    | -                   | -                   | -                               | -                   | 57,410                                                   |
| Other revenues                                   | -                                            | 107                  | 328                 | 251                 | 163                             | 849                 | 1,716                                                    |
| Total operating revenues                         | <u>675,180</u>                               | <u>26,448</u>        | <u>146,826</u>      | <u>131,515</u>      | <u>37,061</u>                   | <u>1,017,030</u>    | <u>377,369</u>                                           |
| Operating expenses:                              |                                              |                      |                     |                     |                                 |                     |                                                          |
| Personnel services                               | 128,040                                      | 6,241                | 26,101              | 48,857              | 31,916                          | 241,155             | 85,589                                                   |
| Supplies and materials                           | 85,813                                       | 2,972                | 7,207               | 7,607               | 538                             | 104,137             | 26,832                                                   |
| Contractual and other services                   | 172,776                                      | 45,375               | 49,342              | 58,795              | 11,902                          | 338,190             | 246,046                                                  |
| Depreciation                                     | 138,891                                      | 17,984               | 42,294              | 9,680               | 216                             | 209,065             | 4,395                                                    |
| Total operating expenses                         | <u>525,520</u>                               | <u>72,572</u>        | <u>124,944</u>      | <u>124,939</u>      | <u>44,572</u>                   | <u>892,547</u>      | <u>362,862</u>                                           |
| Operating income (loss)                          | <u>149,660</u>                               | <u>(46,124)</u>      | <u>21,882</u>       | <u>6,576</u>        | <u>(7,511)</u>                  | <u>124,483</u>      | <u>14,507</u>                                            |
| Nonoperating revenues (expenses):                |                                              |                      |                     |                     |                                 |                     |                                                          |
| Investment income                                | 3,404                                        | 196                  | 786                 | 54                  | 75                              | 4,515               | 142                                                      |
| Alcohol beverage tax                             | -                                            | 12,935               | -                   | -                   | -                               | 12,935              | -                                                        |
| Hotel occupancy tax                              | -                                            | 40,416               | -                   | -                   | -                               | 40,416              | -                                                        |
| Intergovernmental                                | -                                            | 2,216                | 13,198              | -                   | -                               | 15,414              | -                                                        |
| Passenger facility charges                       | -                                            | -                    | 20,499              | -                   | -                               | 20,499              | -                                                        |
| Interest on bonds and notes                      | (97,977)                                     | (14,277)             | (35,214)            | (411)               | (25)                            | (147,904)           | -                                                        |
| Net gain (loss) on property disposals            | (35)                                         | -                    | -                   | -                   | -                               | (35)                | 397                                                      |
| Total nonoperating revenues (expenses)           | <u>(94,608)</u>                              | <u>41,486</u>        | <u>(731)</u>        | <u>(357)</u>        | <u>50</u>                       | <u>(54,160)</u>     | <u>539</u>                                               |
| Income (loss) before contributions and transfers | 55,052                                       | (4,638)              | 21,151              | 6,219               | (7,461)                         | 70,323              | 15,046                                                   |
| Contributions and transfers                      |                                              |                      |                     |                     |                                 |                     |                                                          |
| Capital contributions                            | 25,568                                       | -                    | 31,312              | -                   | -                               | 56,880              | -                                                        |
| Transfers in                                     | -                                            | -                    | -                   | 2,709               | -                               | 2,709               | 572                                                      |
| Transfers out                                    | (24,333)                                     | (4,899)              | (229)               | (8,230)             | (139)                           | (37,830)            | (13,423)                                                 |
| Total contributions and transfers                | <u>1,235</u>                                 | <u>(4,899)</u>       | <u>31,083</u>       | <u>(5,521)</u>      | <u>(139)</u>                    | <u>21,759</u>       | <u>(12,851)</u>                                          |
| Change in net position                           | 56,287                                       | (9,537)              | 52,234              | 698                 | (7,600)                         | 92,082              | 2,195                                                    |
| Net position (deficit), beginning of year        | <u>2,758,689</u>                             | <u>279,130</u>       | <u>643,729</u>      | <u>(118,300)</u>    | <u>(37,746)</u>                 | <u>3,525,502</u>    | <u>(143,154)</u>                                         |
| Net position (deficit), end of year              | <u>\$ 2,814,976</u>                          | <u>\$ 269,593</u>    | <u>\$ 695,963</u>   | <u>\$ (117,602)</u> | <u>\$ (45,346)</u>              | <u>\$ 3,617,584</u> | <u>\$ (140,959)</u>                                      |



“Our Product is Service”  
Empathy | Ethics | Excellence | Equity

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                                         | Business-Type Activities<br>Enterprise Funds |                      |                     |                  |
|-------------------------------------------------------------------------|----------------------------------------------|----------------------|---------------------|------------------|
|                                                                         | Dallas<br>Water<br>Utilities                 | Convention<br>Center | Airport<br>Revenues | Sanitation       |
| Cash flows from operating activities:                                   |                                              |                      |                     |                  |
| Cash received from customers                                            | \$ 672,857                                   | \$ 23,892            | \$ 149,627          | \$ 126,107       |
| Cash payments to suppliers for goods and services                       | (81,866)                                     | (691)                | (650)               | (5,699)          |
| Cash payments to employees for services                                 | (98,247)                                     | (2,410)              | (21,195)            | (39,030)         |
| Cash payments for contractual services                                  | (171,879)                                    | (43,246)             | (49,325)            | (58,201)         |
| Other operating cash receipts                                           | -                                            | 107                  | 328                 | 251              |
| Net cash provided by (used in) operating activities                     | <u>320,865</u>                               | <u>(22,348)</u>      | <u>78,785</u>       | <u>23,428</u>    |
| Cash flows from non-capital financing activities:                       |                                              |                      |                     |                  |
| Taxes                                                                   | -                                            | 54,139               | -                   | -                |
| Principal paid on pension obligation bonds                              | (5,794)                                      | (413)                | (543)               | (1,894)          |
| Interest paid on pension obligation bonds                               | (1,017)                                      | (73)                 | (95)                | (333)            |
| Proceeds from pension obligation bonds                                  | 1,359                                        | 1,034                | 1,359               | 4,739            |
| Payment to refunded bond escrow agent                                   | (1,351)                                      | (1,028)              | (1,351)             | (4,712)          |
| Bond issuance costs                                                     | (8)                                          | (6)                  | (8)                 | (27)             |
| Intergovernmental operating grant receipts                              | -                                            | -                    | 1,140               | -                |
| Transfers from other funds                                              | -                                            | -                    | -                   | 2,709            |
| Transfers to other funds                                                | (24,333)                                     | (4,899)              | (229)               | (8,230)          |
| Net cash provided by (used in) non-capital financing activities         | <u>(31,144)</u>                              | <u>48,754</u>        | <u>273</u>          | <u>(7,748)</u>   |
| Cash flows from capital and related financing activities:               |                                              |                      |                     |                  |
| Acquisition and construction of capital assets                          | (164,746)                                    | (1,416)              | (48,863)            | (10,641)         |
| Proceeds from sale of capital assets                                    | -                                            | -                    | -                   | -                |
| Proceeds from obligation for revenue bonds                              | 212,039                                      | -                    | 312,062             | 4,470            |
| Proceeds from notes payable and other obligations                       | -                                            | -                    | -                   | 4,534            |
| Payment to refunded bond escrow agent                                   | -                                            | -                    | (316,714)           | (4,455)          |
| Principal paid on bonds                                                 | (119,175)                                    | (9,550)              | (8,640)             | (1,919)          |
| Principal paid on notes payable and other obligations                   | -                                            | -                    | (10,137)            | (6,708)          |
| Interest paid on bonds, notes, and other obligations                    | (133,327)                                    | (13,932)             | (35,298)            | (423)            |
| Bond issuance costs                                                     | (2,375)                                      | -                    | (2,840)             | (39)             |
| Proceeds from sale of commercial paper notes                            | -                                            | -                    | 2,280               | -                |
| Retirement of commercial paper notes                                    | (52,900)                                     | -                    | -                   | -                |
| Passenger facility charges                                              | -                                            | -                    | 19,481              | -                |
| Capital contribution receipts                                           | -                                            | -                    | 10,474              | -                |
| Net cash provided by (used in) capital and related financing activities | <u>(260,484)</u>                             | <u>(24,898)</u>      | <u>(78,195)</u>     | <u>(15,181)</u>  |
| Cash flows from investing activities:                                   |                                              |                      |                     |                  |
| Purchase of investments                                                 | -                                            | -                    | 99                  | -                |
| Maturity of investments                                                 | -                                            | 4,000                | -                   | -                |
| Investment income                                                       | 4,469                                        | 339                  | 875                 | 86               |
| Net cash provided by (used in) investing activities                     | <u>4,469</u>                                 | <u>4,339</u>         | <u>974</u>          | <u>86</u>        |
| Net increase (decrease) in cash and cash equivalents                    | 33,706                                       | 5,847                | 1,837               | 585              |
| Cash and cash equivalents, beginning of year                            | 642,062                                      | 158,704              | 201,277             | 31,696           |
| Cash and cash equivalents, end of year                                  | <u>\$ 675,768</u>                            | <u>\$ 164,551</u>    | <u>\$ 203,114</u>   | <u>\$ 32,281</u> |



| Nonmajor<br>Enterprise<br>Funds | Total               | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---------------------------------|---------------------|----------------------------------------------------------|
| \$ 39,684                       | \$ 1,012,167        | \$ 374,837                                               |
| (471)                           | (89,377)            | (30,414)                                                 |
| (24,407)                        | (185,289)           | (71,432)                                                 |
| (11,342)                        | (333,993)           | (244,259)                                                |
| 163                             | 849                 | 2,007                                                    |
| <u>3,627</u>                    | <u>404,357</u>      | <u>30,739</u>                                            |
| -                               | 54,139              | -                                                        |
| (1,055)                         | (9,699)             | -                                                        |
| (185)                           | (1,703)             | -                                                        |
| -                               | 8,491               | -                                                        |
| -                               | (8,442)             | -                                                        |
| -                               | (49)                | -                                                        |
| -                               | 1,140               | -                                                        |
| -                               | 2,709               | 572                                                      |
| (139)                           | (37,830)            | (13,423)                                                 |
| <u>(1,379)</u>                  | <u>8,756</u>        | <u>(12,851)</u>                                          |
| (190)                           | (225,856)           | (3,960)                                                  |
| -                               | -                   | 647                                                      |
| 2,639                           | 531,210             | -                                                        |
| -                               | 4,534               | -                                                        |
| (2,625)                         | (323,794)           | -                                                        |
| -                               | (139,284)           | -                                                        |
| -                               | (16,845)            | -                                                        |
| -                               | (182,980)           | -                                                        |
| (14)                            | (5,268)             | -                                                        |
| -                               | 2,280               | -                                                        |
| -                               | (52,900)            | -                                                        |
| -                               | 19,481              | -                                                        |
| -                               | 10,474              | -                                                        |
| <u>(190)</u>                    | <u>(378,948)</u>    | <u>(3,313)</u>                                           |
| -                               | 99                  | -                                                        |
| -                               | 4,000               | -                                                        |
| 117                             | 5,886               | 150                                                      |
| <u>117</u>                      | <u>9,985</u>        | <u>150</u>                                               |
| 2,175                           | 44,150              | 14,725                                                   |
| 62,885                          | 1,096,624           | 130,165                                                  |
| <u>\$ 65,060</u>                | <u>\$ 1,140,774</u> | <u>\$ 144,890</u>                                        |

continued

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS (continued)**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                                                                          | Business-Type Activities<br>Enterprise Funds |                      |                     |                  |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------|---------------------|------------------|
|                                                                                                          | Dallas<br>Water<br>Utilities                 | Convention<br>Center | Airport<br>Revenues | Sanitation       |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:        |                                              |                      |                     |                  |
| Operating income (loss)                                                                                  | \$ 149,660                                   | \$ (46,124)          | \$ 21,882           | \$ 6,576         |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                                              |                      |                     |                  |
| Depreciation                                                                                             | 138,891                                      | 17,984               | 42,294              | 9,680            |
| Change in assets and liabilities                                                                         |                                              |                      |                     |                  |
| (Increase) Decrease in accounts and other receivables                                                    | (19,479)                                     | (3,244)              | 3,144               | (6,723)          |
| (Increase) Decrease in customer assessments receivable                                                   | -                                            | -                    | -                   | -                |
| (Increase) Decrease in inventories                                                                       | (2,515)                                      | 53                   | (221)               | 17               |
| (Increase) Decrease in other assets                                                                      | 8,920                                        | -                    | -                   | -                |
| (Increase) Decrease in due from other governments                                                        | -                                            | (13)                 | 118                 | 33               |
| (Increase) Decrease in deferred outflows for other postemployment benefits                               | 828                                          | 27                   | 158                 | 305              |
| (Increase) Decrease in deferred outflows for pension contributions                                       | (23,281)                                     | 3,249                | (6,114)             | (9,925)          |
| Increase (Decrease) in accounts payable                                                                  | (2,458)                                      | 4,370                | 6,778               | 1,891            |
| Increase (Decrease) in accrued payroll                                                                   | 385                                          | 122                  | 98                  | 132              |
| Increase (Decrease) in due to other governments                                                          | 1                                            | -                    | -                   | -                |
| Increase (Decrease) in compensated absences                                                              | (505)                                        | (43)                 | (67)                | (117)            |
| Increase (Decrease) in allowance for uncollectibles                                                      | 14,285                                       | (258)                | (246)               | 1,621            |
| Increase (Decrease) in unearned revenue                                                                  | 1                                            | -                    | 231                 | (12)             |
| Increase (Decrease) in customer deposits                                                                 | 2,870                                        | 1,053                | -                   | (43)             |
| Increase (Decrease) in other postemployment benefits                                                     | (26,369)                                     | (478)                | (5,693)             | (9,517)          |
| Increase (Decrease) in customer construction advances                                                    | 896                                          | -                    | -                   | -                |
| Increase (Decrease) in estimated unpaid health claims                                                    | -                                            | -                    | -                   | -                |
| Increase (Decrease) in estimated unpaid claims - general                                                 | -                                            | -                    | -                   | -                |
| Increase (Decrease) in workers' compensation                                                             | -                                            | -                    | -                   | -                |
| Increase (Decrease) in landfill liability                                                                | -                                            | -                    | -                   | 1,510            |
| Increase (Decrease) in net pension liability                                                             | 91,100                                       | 1,906                | 18,035              | 33,040           |
| Increase (Decrease) in other liabilities                                                                 | -                                            | -                    | (101)               | (949)            |
| Increase (Decrease) in deferred inflows for other postemployment benefits                                | 11,867                                       | (37)                 | 57                  | 35               |
| Increase (Decrease) in deferred inflows for pension contributions                                        | (24,232)                                     | (915)                | (1,568)             | (4,126)          |
| Total adjustments                                                                                        | <u>171,205</u>                               | <u>23,776</u>        | <u>56,903</u>       | <u>16,852</u>    |
| Net cash provided by (used in) operating activities                                                      | <u>320,865</u>                               | <u>(22,348)</u>      | <u>78,785</u>       | <u>23,428</u>    |
| Current Assets:                                                                                          |                                              |                      |                     |                  |
| Pooled cash and cash equivalents                                                                         | \$ 239,264                                   | \$ 133,206           | \$ 46,738           | \$ 31,151        |
| Pooled cash and cash equivalents for current debt service                                                | 168,524                                      | 4,187                | -                   | -                |
| Held for construction purposes                                                                           | 21,977                                       | 3,676                | -                   | -                |
| Customer deposits pooled cash and cash equivalents                                                       | 22,618                                       | -                    | -                   | 1,130            |
| Non-current Assets:                                                                                      |                                              |                      |                     |                  |
| Cash and cash equivalents                                                                                |                                              |                      |                     |                  |
| Held by escrow agent                                                                                     | 195,795                                      | -                    | -                   | -                |
| Held for construction purposes                                                                           | -                                            | -                    | 4,595               | -                |
| For future debt service                                                                                  | 27,590                                       | 23,482               | 26,400              | -                |
| For emergency repairs and replacements                                                                   | -                                            | -                    | 5,000               | -                |
| For operation and maintenance expenses                                                                   | -                                            | -                    | 13,810              | -                |
| For passenger facility charges                                                                           | -                                            | -                    | 106,571             | -                |
| Total cash and cash equivalents end of year                                                              | <u>\$ 675,768</u>                            | <u>\$ 164,551</u>    | <u>\$ 203,114</u>   | <u>\$ 32,281</u> |
| Noncash investing, capital, and financing activities:                                                    |                                              |                      |                     |                  |
| Capital contributions                                                                                    | \$ 25,568                                    | \$ -                 | \$ -                | \$ -             |
| Prepaid escrow                                                                                           | (8,920)                                      | -                    | -                   | -                |
| Premium/discount amortization                                                                            | (20,794)                                     | (55)                 | (2,697)             | (419)            |
| Accretion on capital appreciation bonds                                                                  | 257                                          | 18                   | 24                  | 84               |
| Amortization of deferred gain/loss on refunding                                                          | (9,396)                                      | (406)                | (42)                | 24               |

| Nonmajor<br>Enterprise<br>Funds | Total      | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---------------------------------|------------|----------------------------------------------------------|
| \$ (7,511)                      | \$ 124,483 | \$ 14,507                                                |

|         |          |          |
|---------|----------|----------|
| 216     | 209,065  | 4,395    |
| 180     | (26,122) | (525)    |
| -       | -        | -        |
| -       | (2,666)  | (568)    |
| -       | 8,920    | 2,355    |
| -       | 138      | -        |
| 153     | 1,471    | 306      |
| (5,796) | (41,867) | (15,714) |
| 67      | 10,648   | 63       |
| 101     | 838      | 182      |
| -       | 1        | -        |
| (142)   | (874)    | (97)     |
| -       | 15,402   | -        |
| 2,606   | 2,826    | -        |
| -       | 3,880    | -        |
| (5,735) | (47,792) | (12,486) |
| -       | 896      | -        |
| -       | -        | (5,306)  |
| -       | -        | (8,120)  |
| -       | -        | 1,755    |
| -       | 1,510    | -        |
| 21,385  | 165,466  | 49,028   |
| 560     | (490)    | 4,476    |
| 54      | 11,976   | 172      |
| (2,511) | (33,352) | (3,684)  |
| 11,138  | 279,874  | 16,232   |
| 3,627   | 404,357  | 30,739   |

|           |              |            |
|-----------|--------------|------------|
| \$ 65,060 | \$ 515,419   | \$ 144,890 |
| -         | 172,711      | -          |
| -         | 25,653       | -          |
| -         | 23,748       | -          |
|           |              |            |
| -         | 195,795      | -          |
| -         | 4,595        | -          |
| -         | 77,472       | -          |
| -         | 5,000        | -          |
| -         | 13,810       | -          |
| -         | 106,571      | -          |
| \$ 65,060 | \$ 1,140,774 | \$ 144,890 |

|       |           |   |
|-------|-----------|---|
| \$ -  | \$ 25,568 | - |
| -     | (8,920)   | - |
| (118) | (24,083)  | - |
| (47)  | 336       | - |
| 15    | (9,805)   | - |

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
September 30, 2021  
(in thousands)

|                                                     | Pension<br>Trust Funds (1) | Custodial<br>Funds |
|-----------------------------------------------------|----------------------------|--------------------|
| <b>Assets</b>                                       |                            |                    |
| Pooled cash and cash equivalents                    | \$ -                       | \$ 8,989           |
| Cash and cash equivalents                           | 177,682                    | -                  |
| Invested securities lending collateral              | 239,533                    | -                  |
| Receivables:                                        |                            |                    |
| Accounts                                            | 430,061                    | 1                  |
| Accrued interest                                    | 17,549                     | -                  |
| Notes Receivable-DC Member                          | 26,601                     | -                  |
| Investments /Participants                           | 820,597                    | -                  |
| Short-term investments                              | 20,430                     | -                  |
| Equity securities                                   | 700,767                    | -                  |
| Domestic equities                                   | 1,419,539                  | -                  |
| U.S. and foreign government fixed income securities | 678,238                    | -                  |
| Domestic corporate fixed income                     | 772,004                    | -                  |
| International equities and fixed income             | 468,520                    | -                  |
| Commingled index funds                              | 208,318                    | -                  |
| Real assets                                         | 748,058                    | -                  |
| Private equities and venture capital funds          | 453,547                    | -                  |
| Forward currency contracts                          | (296)                      | -                  |
| Prepaid expenses                                    | 544                        | -                  |
| Capital assets, net                                 | 19,502                     | -                  |
| Total assets                                        | 7,201,194                  | 8,990              |
| <b>Liabilities</b>                                  |                            |                    |
| Accounts payable                                    | 13,946                     | 14                 |
| Payable for securities purchased                    | 23,204                     | -                  |
| Securities lending obligation                       | 239,533                    | -                  |
| Other liabilities                                   | 410,486                    | -                  |
| Total liabilities                                   | 687,169                    | 14                 |
| <b>Net Position</b>                                 |                            |                    |
| Net investment in capital assets                    | 19,502                     | -                  |
| Restricted for pensions                             | 6,494,523                  | -                  |
| Net position held in trust for other purposes       | -                          | 8,976              |
| Total net position                                  | \$ 6,514,025               | \$ 8,976           |

(1) Information presented for the pension trust funds is as of December 31, 2020.

**CITY OF DALLAS, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

For the Year Ended September 30, 2021  
(in thousands)

|                                                        | Pension<br>Trust Funds (1) | Custodial<br>Funds |
|--------------------------------------------------------|----------------------------|--------------------|
| Additions:                                             |                            |                    |
| Contributions:                                         |                            |                    |
| Employer                                               | \$ 225,342                 | \$ -               |
| Employee                                               | 165,484                    | -                  |
| Total contributions                                    | 390,826                    | -                  |
| Net investment income:                                 |                            |                    |
| Interest and dividends                                 | 158,585                    | 3                  |
| Net appreciation in fair value of investments          | 215,574                    | -                  |
| Securities lending income                              | 1,217                      | -                  |
| Less investment expenses:                              |                            |                    |
| Investment management fees                             | (25,456)                   | -                  |
| Custody fees                                           | (125)                      | -                  |
| Consultant fees                                        | (583)                      | -                  |
| Securities lending management fees                     | (236)                      | -                  |
| Total investment expenses                              | (26,400)                   | -                  |
| Net investment income                                  | 348,976                    | 3                  |
| Other receipts:                                        |                            |                    |
| Confiscated money receipts                             | -                          | 2,120              |
| Unclaimed property receipts                            | -                          | 1,288              |
| Municipal court receipts for other jurisdictions       | -                          | 65                 |
| Other income                                           | 39                         | 5                  |
| Total other receipts                                   | 39                         | 3,478              |
| Total additions                                        | 739,841                    | 3,481              |
| Deductions:                                            |                            |                    |
| Benefit payments                                       | 605,918                    | -                  |
| Refund of contributions                                | 9,133                      | -                  |
| Administrative expenses                                | 12,467                     | -                  |
| Withdrawals - deferred compensation participants       | 64,224                     | -                  |
| Confiscated money payments                             | -                          | 1,502              |
| Unclaimed property payments                            | -                          | 989                |
| Municipal court payments to other jurisdictions        | -                          | 65                 |
| Total deductions                                       | 691,742                    | 2,556              |
| Increases (Decreases) in Net Position                  | 48,099                     | 925                |
| Net position beginning of year, as previously reported | 5,733,252                  | -                  |
| Restatement (see note 1.W.)                            | 732,674                    | 8,051              |
| Net position beginning of year, as restated            | 6,465,926                  | 8,051              |
| Net position end of year                               | \$ 6,514,025               | \$ 8,976           |

(1) Information presented for the pension trust funds is for the year ended December 31, 2020.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies

A. General

The City of Dallas, Texas (“the City”) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under the Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the city and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Unless otherwise indicated, amounts are presented in thousands (000’s). The more significant accounting and reporting policies and practices used by the City are described below.

B. Reporting Entity

The accompanying basic financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The criteria considered in determining activities to be reported within the City’s basic financial statements include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization’s board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; and
- there is fiscal dependency by the organization on the City.

The City’s municipal services, which include public safety (police and fire), environmental and health services, code enforcement, streets, public works, and transportation, equipment and building, culture and recreation, housing and human services, and general administrative services, are included in the accompanying basic financial statements.

In addition, the City owns and operates certain enterprise funds including water utilities, convention services, airport, sanitation, and other enterprise activities that are also included in the accompanying basic financial statements.

Blended Component Units

Blended component units, although legally separate entities, are included as part of the primary government because they meet the above criteria as well as serve or benefit the City exclusively. Thus, blended component units are appropriately presented as funds of the primary government. The information reported for the pension trust funds is as of December 31, 2020 and the Trinity River Corridor Local Government Corporation and Love Field Airport Modernization Corporation (LFAMC) is as of September 30, 2021.

- Pension Trust Funds – The Pension Trust Funds include defined benefit plans and deferred compensation plans. The Pension Trust Funds have a December 31 year-end. The primary functions of the defined benefit pension entities are investment and benefit management activities. Each board for the defined benefit pension entities has contracted with various investment managers and banks for management of the portfolios of the plans. The City contributes on behalf of its employees to three defined benefit pension plans administered by two legally separate entities: the Employees’ Retirement Fund of the City of Dallas, at 1920 McKinney Avenue, 10<sup>th</sup> Floor, Dallas, TX 75201; and Dallas Police and Fire Pension System, at 4100 Harry Hines Boulevard, Ste. 100, Dallas, TX 75219. Complete financial statements of each plan may be obtained at the administrative offices. The City has contracted with an outside firm to provide custodial, investment, trustee, and recordkeeping services for the deferred compensation pension trust funds. The City does not make contributions for the deferred compensation pension trust funds; however, qualified individuals may make contributions to accumulate resources for their retirement. The financial statements for the deferred compensation pension trust funds are located on pages 145 and 146 of this report.
- Love Field Airport Modernization Corporation (LFAMC) – The City created the LFAMC, a Texas nonprofit local government corporation organized under Subchapter D of Chapter 431 of the Texas Transportation Code. The Corporation was formed to serve as a conduit financing entity for the purpose of issuing bonds to promote the development of the geographic area of the city included at or in the vicinity of Love Field Airport to promote, develop, and maintain the employment, commerce, aviation activity, tourism, and economic development in the City. This component unit is blended with the Airport Revenues Fund.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

- Trinity River Corridor Local Government Corporation – The Corporation was organized for aiding, assisting, and acting on behalf of the City in the performance of its governmental functions; namely, the design, planning, development, financing, operation, and maintenance of public recreation uses of City fee-owned property located in a portion of the Trinity River Corridor. This component unit is blended with the Stormwater Operations special revenue fund.

Discretely Presented Component Units – The following legally separate entities are reported as discretely presented component units of the City because the City appoints a voting majority of the boards, approves budgets, and maintains the ability to impose its will on the entities. The discretely presented component units of the governmental activities and the business-type activities are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government. The information reported for the Dallas Convention Center Hotel Development Corporation and the Housing Finance Corporation is as of December 31, 2020, and all others are as of September 30, 2021.

- Housing Finance Corporation – organized to issue tax-exempt mortgage revenue bonds to encourage opportunities for single-family residential home ownership among low to moderate-income citizens.
- Housing Acquisition and Development Corporation – organized solely and exclusively for the public purpose of providing safe, affordable housing facilities for low and moderate-income persons.
- Dallas Development Fund – organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.
- Downtown Dallas Development Authority – The primary function of the Downtown Dallas Development Authority (DDDA) is to increase the property tax base in the downtown area of the city. The DDDA operates in a manner similar to other tax increment financing zones of the City but has a separate board. Its primary purpose is to issue revenue bonds to finance major improvements by developers.
- North Oak Cliff Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, the public welfare in the District, and educational scholarships for college-bound students residing in or out of the District.
- Cypress Waters Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation and the arts, entertainment, economic development, safety, and the public welfare in the District.
- Dallas Convention Center Hotel Development Corporation – organized to promote the development of the geographic area of the city included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement, and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the city, including specifically, without limitation, the development and financing of a convention center hotel which is located within 1,000 feet of the Dallas Convention Center.

Entity financial statements are available for all of the above entities by contacting the City Controller's Office, 1500 Marilla, Room 2BS, Dallas, TX 75201.

Related Organizations

City officials are also responsible for appointing members to the boards of the following organizations, but the City's accountability for the organization does not extend beyond making appointment.

The Dallas/Fort Worth International Airport (DFW Airport) is jointly governed by the cities of Dallas and Fort Worth. The Cities approve the Airport's annual budget and all bond sales but have no responsibility for the DFW Airport's debt service requirements. DFW Airport is governed by a 12-member board (Board) comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member from the neighboring cities of Irving, Grapevine, Euless and Coppell. Members of the Board are appointed by the respective city councils. The Board is a semi-autonomous body charged with governing the DFW Airport and may enter into contracts without approval of the city councils.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

The Dallas Housing Authority (Authority) is an independent organization, which has a scope of public service within the geographic boundaries of the city. Under Texas State Statutes, the responsibility for the administration and operations of the Authority is vested solely with the Authority's Board of Commissioners. The Authority is dependent on Federal funds from the Department of Housing and Urban Development and, as a result, is not financially dependent on the City. In addition, the City is not responsible for any deficits incurred and has no fiscal management control. The governing body of the Authority is its Board of Commissioners, composed of five members appointed by the Mayor of the City of Dallas. The Authority is not considered a component unit of the City, as defined by GASB since the City is not financially accountable for the operations of the Authority, has no responsibility to fund deficits or receive surpluses, and has not guaranteed the Authority's debt.

The Dallas Area Rapid Transit (DART) is a regional transportation authority under Chapter 452 of the Texas Transportation Code and is controlled by a 15-member board. The Dallas City Council appoints seven members and participating suburban city councils appoint eight board members. Its purpose is to provide transportation services in the DART service area. The voters in the DART service area approved a one percent sales tax to fund the authority annually. DART is not fiscally dependent on the City.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the primary government and its non-fiduciary component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment.

Taxes and other items are reported as general revenues, rather than as program revenues.

Separate fund level financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues received within 60 days of year-end to be available, in accordance with the City's accounting policy, except as noted in the paragraph below.

Revenues susceptible to accrual include ad valorem taxes, sales tax, ambulance fees, parking fines, franchise fees, and interest. In applying the susceptible to accrual concept to Federal and State grants, revenues are recognized when applicable eligibility requirements, including time requirements, are met. The grant revenues and developer and intergovernmental contributions availability period is considered to be one year. All other revenue items are considered to be measurable and available only when the City receives the cash as the resulting net receivables are deemed immaterial, such as court fines and fees.

Expenditures are generally recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, arbitrage rebates, claims and judgments, other postemployment benefits, and pollution remediation are recorded only when matured and payment is due.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

The City reports the following non-major governmental funds:

The Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Permanent Funds are used to account for private endowments whereby interest earnings are restricted in accordance with the endowment terms.

Proprietary Funds and Pension Trust Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income, change in net position, financial position, and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the statement of net position.

The City reports the following major proprietary funds:

The Dallas Water Utilities Fund accounts for water and wastewater services for Dallas, area customer cities, and governmental entities. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The Convention Center Fund accounts for convention and event services for the Dallas Convention Center. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The Airport Revenues Fund accounts for the Dallas Airports System, which includes airport services and administration of Dallas Love Field, Executive Airport, and the Heliport. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service. DFW airport activity is not included in the financial statements.

The Sanitation Fund accounts for solid waste collection and disposal services for residential and commercial customers in Dallas. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The City reports the following non-major proprietary funds:

The non-major proprietary funds consist of Enterprise Funds, which are used to account for operations, other than the major proprietary funds listed above, and are operated in a manner similar to private business enterprises. Non-major Enterprise Funds include the operation of the municipal radio station and building inspections.

Additionally, the City reports the following funds:

The Internal Service Funds are used to allocate associated costs of centralized services on a cost-reimbursement basis. The services provided to other City departments are vehicles, vehicle maintenance, fuel and lubrication, communication services, data processing and programming services, office supplies, printing, copying and mailing services, risk financing, including insurance-related activities, and bond program administration.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

The Pension Trust Fund accounts for the activities of three defined benefit plans and three deferred compensation plans. The defined benefit plans include the Employees' Retirement System, Police and Fire Pension System, and Supplemental Police and Fire Pension Plan. The three contributory defined benefit plans are used to accumulate resources for pension benefits payments to qualified employees. The deferred compensation plans include the 401(k) Retirement Plan, 457 Deferred Compensation Plan, and 457 Deferred Compensation Plan for Part-time, Seasonal, Temporary Employees, and City Councilmembers. The City does not make contributions for the deferred compensations plans; however, qualified individuals make contributions to accumulate resources for their retirement.

The Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The three custodial funds include confiscated money, unclaimed property, and municipal court funds collected for other agencies).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes (PILOT) and other charges between the Dallas Water Utilities Fund and various other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

Operating revenues of the City's enterprise funds are charges to customers for sales and services, charges to other City departments, services to others, intergovernmental revenue, and other revenues. Operating expenses include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in pooled cash as well as short-term investments with the exception of the Pension Trust Funds (which consider short-term investments as regular investments). Investment income on the pooled investments is prorated monthly based upon the average daily cash balance in each fund.

Investments in U.S. government obligations are recorded at fair value based on observable inputs; investments in money market funds and hedge funds are measured at Net Asset Value (NAV); local government investment pools are measured at amortized cost, with the exception of Texas CLASS, which is reported at fair value. Other investments, except hedge funds, held in trusts for various permanent funds are recorded at fair value based on quoted market prices. Pension investments are recorded at fair value based on quoted market values, when available. The amounts recorded in the Pension Trust Funds for real estate funds and venture capital funds represent estimated fair values based upon appraised values or other comparable methods. The Commingled Index Funds estimated fair values are based upon audited financial statements.

F. Property Taxes

The City's property tax is levied each October 1 on the assessed value as of the previous January 1 for all real and income-producing (or business personal) property. Appraised values are established by the Dallas, Denton, Collin, and Rockwall Central Appraisal Districts equal to 100 percent of appraised market value as required under the State Property Tax Code. The value of real property within the Appraisal District must be reviewed every three years. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. The City establishes tax rates on property within its jurisdiction. If the adopted tax rate, excluding tax rates for bonds and other contractual obligations, exceeds the effective tax rate by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than eight percent above the effective tax rate. Property taxes attach as an enforceable lien on property as of January 1 of the subsequent year.

Taxes are due October 1. Full payment can be made prior to the following January 31 to avoid penalty and interest charges. Current tax collections for the year ended September 30, 2021 were 99.68 percent of the tax levy. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per one hundred dollars of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for fiscal year 2021 was \$0.7763 per \$100 dollars of assessed valuation, \$0.5688 for general governmental services and \$0.2075 for the payment of principal and interest on general obligation long-term debt.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

G. Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the Special Revenue Funds. Grants and similar items are recognized as revenue as soon as all applicable eligibility requirements, excluding time requirements, have been met. Amounts received before time requirements are met, but after all other eligibility requirements have been met are reported as a deferred inflow of resources. Amounts received before eligibility requirements have been met are reported as unearned revenue.

H. Inventories

Inventory is valued at average cost. Inventory for all funds generally consists of expendable supplies held for consumption and are recorded as expenditures (or expenses) when consumed.

I. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond September 30, 2021. Prepaid items are recorded using the consumption method.

J. Restricted Assets

Proceeds of Enterprise Fund revenue bonds, commercial paper notes, and other financing arrangements, as well as resources set aside for revenue bond repayment, are classified as restricted assets on the statement of net position when their use is limited by applicable covenants. The Capital Project Funds record proceeds of debt issuances restricted for construction. The current Debt Service Funds are used to segregate resources accumulated for debt service payments over the next 12 months.

The assets restricted for revenue bond future debt service are used to report resources set aside to fulfill revenue bond debt reserve requirements. Other restricted assets include funds restricted for construction from revenue bond proceeds, contractual obligation debt service funds, unspent grant proceeds, escrow deposits, and customer deposits. Assets restricted for a specific purpose are utilized before the use of unrestricted assets to pay related obligations when authorized to do so.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (examples include streets and bridges), are reported in the applicable governmental or business-type activities columns, in both the government-wide and proprietary fund level statement of net position. Generally, equipment with an individual cost of at least \$5 thousand, infrastructure with a cost of at least \$25 thousand, and buildings with a cost of at least \$50 thousand and an estimated useful life of more than one year, are capitalized. Purchased or constructed capital assets are valued at historical cost or estimated historical cost if actual cost is not available. Assets acquired by donation are recorded at acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital asset additions and improvements are capitalized as projects are constructed.

Depreciation, which includes amortization of assets under capital leases, is computed using the straight-line method over the estimated useful or service lives of the related assets beginning on the date of acquisition or the date placed in service.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

The estimated useful lives of the primary government's capital assets are as follows:

|                                   | Useful Life                |                             |
|-----------------------------------|----------------------------|-----------------------------|
|                                   | Governmental<br>Activities | Business-type<br>Activities |
| Infrastructure                    | 10-50 years                | 50-100 years                |
| Reservoirs and water rights       | N/A                        | 100 years                   |
| Buildings                         | 10-50 years                | 10-50 years                 |
| Improvements other than buildings | 10-50 years                | 10-100 years                |
| Equipment                         | 3-20 years                 | 3-25 years                  |
| Utility property                  | N/A                        | 33-75 years                 |

Artwork is capitalized but not depreciated. These assets are maintained for public exhibition, education, or research and are being preserved for future generations. The proceeds from sales of any pieces of the collection are used to purchase other items for the collection.

L. Compensated Absences

The City's employees earn vacation, sick, and attendance incentive leave which may be used or accumulated up to certain amounts. Unused vacation and attendance incentive leave is paid upon death, retirement, or termination. Unused sick leave is reduced to a specified limit when paid upon retirement, certain terminations, or death.

In accordance with the criteria established in the Codification of Governmental Accounting Standards, Section C60, "Compensated Absences," a liability is recorded for vacation leave earned by employees attributable to past service and sick leave earned by employees attributable to past service only to the extent it is probable that such leave will result in termination pay. In addition, a liability has been recorded for certain salary related payments associated with the payment of accrued vacation and sick leave.

In the government-wide and proprietary fund statements of net position, all compensated absence liabilities incurred are recorded as liabilities. However, a liability is recorded in the governmental funds balance sheet only if they have matured and are due as a result of employee resignations, retirements, or termination.

M. Risk Management

The City is self-funded for workers' compensation, employee health insurance, most property damage, and the majority of tort liability exposures. Commercial insurance is used where it is legally required, contractually required, or judged to be the most effective way to finance risk. Indemnity and insurance protection are also required for all City contractors, vendors, lessees, and permit holders. Claims and judgments are recorded when it is probable that an asset has been impaired or a liability has been incurred, and the amount of loss can be reasonably estimated. The recorded estimated liability for claims and judgments includes a provision for Incurred but Not Reported (IBNR) liabilities for workers' compensation, tort cases, and employee health insurance.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet and statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – The pension contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year.
- Net difference in projected and actual earnings on pension assets and difference between estimated and actual experience related to pensions – These are amortized as a component of pension expense over a closed period of five years.
- Difference between estimated and actual experience related to pensions and other postemployment benefits (OPEB) - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Unavailable revenue – This item arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow is reclassified to revenue on the government-wide financial statements.
- Net difference in projected and actual earnings on pension assets and difference between estimated and actual experience related to pensions – These are amortized as a component of pension expense over a closed period of five years.
- Difference between estimated and actual experience related to pensions and other postemployment benefits (OPEB) - These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- Changes in assumptions related to pensions and OPEB – These are amortized as a component of pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and benefits through the pension and OPEB plans (active employees and inactive employees) determined as of the beginning of the measurement period.
- The Dallas Convention Center Hotel Development Corporation discretely presented component unit also reports a deferred inflow as a result of the advance for the Build America Bonds rebate.

O. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements of net position.

General obligation bonds are issued to fund capital projects of both the general government and certain proprietary funds and are to be repaid from tax revenues of the City. Accreted interest on capital appreciation bonds is reflected as interest expense in the governmental activities statement of activities and as an addition to non-current liabilities in the statement of net position.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

P. Bond Premiums, Discounts, and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs, except any portion related to prepaid insurance costs (if applicable), are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund level balance sheets/statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Short-term and long-term interfund loans are classified as notes receivable or payable from other funds with an interest rate of 4.25 to 5.44 percent.

R. Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the government unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expenses in the fund reimbursed. All other nonreciprocal transactions between funds which are not reimbursements and where the funds do not receive equivalent goods or services for the transaction are classified as transfers.

S. Deferred Compensation Plans

The City sponsors three deferred compensation plans. Two of these plans are voluntary for City employees who participate in the City's pension plans. The third plan is mandatory for all employees and council members who are not covered by the City's pension plans. These plans comply with sections 401(k) and 457(b) of the Internal Revenue Code.

Participants in the City's voluntary 457(b) and 401(k) plans have full discretion to choose investments from a list of standard plan options, a linked brokerage account, and a commingled pool managed by Fidelity Management Trust Company. The list of standard plan options includes mutual funds with varying styles and levels of investment risk. All the account balances in the mandatory 457(b) plan are invested in the same commingled pool. All contributions to these plans are deferred by plan participants from their compensation and all the earnings are allocated to each participant's account. Distributions from all the deferred compensation plans are available after termination of employment. Additionally, participants in the City's voluntary plans may also take out loans and may receive hardship withdrawals in accordance with federal regulations. The assets held in these plans are not included in the City's financial statements and cannot be used for purposes other than the exclusive benefit of the participants or their beneficiaries or to pay the reasonable expenses of plan administration.

T. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained in perpetuity, and invested for the purpose of producing present and future income, which may be either expended or added to principal. The City is subject to the State of Texas Uniform Prudent Management of Institutional Funds Act (UPMIFA) in relation to endowment funds.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

The Risk Fund has a deficit net position of \$47.2 million associated with the City's self-insured workers' compensation, auto, and general liability activities. The deficit results from the recognition of certain liabilities that will be paid in future periods. These liabilities will be funded in the fiscal year in which they will be paid through annual budget appropriations. The City's approach for addressing this deficit is consistent with the budgetary basis of accounting for all funds as indicated in Note 2.B. The Sanitation, Municipal Radio, Building Inspection, Equipment Services, Communication Equipment Services, Information Systems, and Bond Program Administration funds had deficit net positions of \$117.6 million, \$5.6 million, \$39.7 million, \$29.5 million, \$4.9 million, \$29.2 million, and \$32.9 million respectively, due to the recognition of the net pension liability and the other postemployment benefit liability. The City's approach for addressing this deficit is to enhance revenues and to employ cost reduction measures.

U. Statement of Cash Flows

For purposes of the statement of cash flows, the City considers pooled cash and all highly liquid debt instruments purchased with an original maturity of three months or less or that have general characteristics of demand deposits in that additional funds may be deposited or withdrawn at any time without prior notice or penalty to be cash equivalents.

V. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

W. New Accounting Pronouncements

During fiscal year 2021, the City adopted the following Governmental Accounting Standards Board (GASB) Statements.

GASB Statement No. 84, "Fiduciary Activities," and GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and supersession of GASB Statement No. 32," were implemented as required by GASB. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The primary objectives for GASB Statement No. 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The tables on the following page reflect the net effect of the restatement on the prior year statement of net position for the fiduciary funds.



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

|                                                    | Pension Trust<br>401(k) Retirement<br>Saving Plan | Pension Trust<br>457 Deferred<br>Compensation Plan | Pension Trust<br>457 (PST) Deferred<br>Compensation Plan | Pension Trust<br>Defined Benefit<br>Pension Plans | Total<br>Pension Trust<br>Funds |
|----------------------------------------------------|---------------------------------------------------|----------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|---------------------------------|
| Net Position at 09/30/2020, as previously reported | \$ -                                              | \$ -                                               | \$ -                                                     | \$ 5,733,252                                      | \$ 5,733,252                    |
| Adjustments for restatement                        | 357,659                                           | 370,656                                            | 4,359                                                    | -                                                 | 732,674                         |
| Net Position at 09/30/2020, restated               | <u>\$ 357,659</u>                                 | <u>\$ 370,656</u>                                  | <u>\$ 4,359</u>                                          | <u>\$ 5,733,252</u>                               | <u>\$ 6,465,926</u>             |
|                                                    | Custodial Fund<br>Confiscated<br>Money            | Custodial Fund<br>Unclaimed<br>Property            | Custodial Fund<br>Municipal<br>Court                     | Total<br>Custodial<br>Funds                       |                                 |
| Net Position at 09/30/2020, as previously reported | \$ -                                              | \$ -                                               | \$ -                                                     | \$ -                                              |                                 |
| Adjustments for restatement                        | 2,011                                             | 6,039                                              | 1                                                        | 8,051                                             |                                 |
| Net Position at 09/30/2020, restated               | <u>\$ 2,011</u>                                   | <u>\$ 6,039</u>                                    | <u>\$ 1</u>                                              | <u>\$ 8,051</u>                                   |                                 |

GASB Statement No. 90, "Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61," was implemented as required by GASB during the fiscal year ended September 30, 2021. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engage only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 92, "Omnibus 2020," was implemented as required by GASB during fiscal year ended September 30, 2021, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of the Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," was implemented immediately as required by GASB. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations;
- Statement No. 84, Fiduciary Activities;
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements;
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period;
- Statement No. 90, Majority Equity Interests;
- Statement No. 91, Conduit Debt Obligations;
- Statement No. 92, Omnibus 2020;
- Statement No. 93, Replacement of Interbank Offered Rates;
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting);
- Implementation Guide No. 2018-1, Implementation Guidance Update-2018;
- Implementation Guide 2019-1, Implementation Guidance Update-2019; and
- Implementation Guide No. 2019-2, Fiduciary Activities.

GASB Statement No. 98, "The Annual Comprehensive Financial Report," was early implemented during the fiscal year ended September 30, 2021. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The implementation of this statement replaced the name of the Comprehensive Annual Financial Report to Annual Comprehensive Financial Report.

The GASB has issued the following statements which will be effective in future years as described below:

GASB Statement No. 87, "Leases," will be implemented as required by GASB during the fiscal year ending September 30, 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 91, "Conduit Debt Obligations," will be implemented as required by GASB during the fiscal year ending September 30, 2022. The primary objectives of the Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations; and (3) related not disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving require not disclosures. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 93, "Replacement of Interbank Offered Rates," will be implemented as required by GASB during fiscal years ending September 30, 2021 and September 30, 2022. The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of interbank offered rates with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements," will be implemented as required by GASB during fiscal year ending September 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements," will be implemented as required by GASB during fiscal year ending September 30, 2023. The objective of the Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements of subscription-based information technology arrangements (SBITAs); (b) improving the comparability of financial statements among governments that have entered in to SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. The City is currently evaluating potential changes to the financial statements as a result of implementation of this Statement.

Note 2. Stewardship, Compliance, and Accountability

A. Legal Compliance – Budgets

The City Council adheres to the following procedures in establishing the budgets reflected in the accompanying financial statements.

- 1) By the fifteenth day of August each year, the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayers' comments.
- 3) Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.
- 4) The City Manager is authorized to transfer budgeted amounts between accounts within any department; however, any revisions that alter the total expenditures of any department must be approved by the City Council. The legal level of budgetary control is the department level.
- 5) Formal budgetary integration is employed as a management control device during the year for the General Fund and Debt Service Fund. Formal budgetary integration is employed as a management control device in the capital project funds for the life of the projects.
- 6) Annual budgets are legally adopted for the General Fund, Debt Service Fund, and proprietary funds. Certain differences exist between the basis of accounting used for budgetary purposes and that used for financial reporting in accordance with GAAP. Budgets for the capital project funds are normally established pursuant to the terms of the related bond ordinances on a project basis.

B. Budgets and Budgetary Basis of Accounting

The City prepares its annual appropriated General Fund, Debt Service Fund, and proprietary operating funds' budgets on the budget basis which differs from the GAAP basis. The budget and all transactions of the general fund are presented in accordance with the City's budget basis in the general fund statement of revenues, expenditures, and changes in fund balances – non-GAAP budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and GAAP basis are attributable to the elimination of certain revenues and expenditures budgeted on a non-annual basis and the fact that encumbrances are recorded as the equivalent of expenditures (budget) rather than fund balance (GAAP) in the governmental funds. Adjustments necessary to convert the excess of revenues and other financing sources over expenditures and other uses on the budget basis to a GAAP basis for the General Fund are provided below:

|                                                                                                       |                  |
|-------------------------------------------------------------------------------------------------------|------------------|
| Excess of revenues and other financing sources over expenditures and other uses--budgetary basis      | \$ 35,468        |
| Change in fair value of investments                                                                   | (856)            |
| Change in encumbrances                                                                                | 17,683           |
| Funds not included in general fund budget                                                             | 10,686           |
| Revenue recognized for GAAP basis but not budgetary basis                                             | 667              |
| Other items budgeted on a non-GAAP basis                                                              | (7,781)          |
| Excess of revenues and other financing sources over expenditures and other financing uses--GAAP basis | <u>\$ 55,867</u> |

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to assign that portion of the applicable appropriation, is utilized as an extension of formal budgetary integration in the governmental funds. For budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. For the General Fund, outstanding encumbrances are reported as assigned fund balances. These balances do not constitute expenditures or liabilities for GAAP purposes since the goods and services have not been received.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 2. Stewardship, Compliance, and Accountability (continued)

Encumbrances outstanding at year-end are carried forward to the new fiscal year. Such encumbrances constitute the equivalent of expenditures for budgetary purposes and, accordingly, the accompanying financial statements present comparisons of actual results to budget of governmental funds on the budget basis of accounting.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the General Fund and includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The City Council is the City's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance up to \$100 thousand per transaction, depending on the type of goods or services by administrative action, pursuant to Section 2-30 of the City Code. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain an unassigned General Fund balance, which includes the Emergency and Contingency Reserves, at a level not less than 30 days of the General Fund operating expenditures, less debt service.

The table on the following page presents additional detail of fund balances as of September 30, 2021.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 2. Stewardship, Compliance, and Accountability (continued)

|                                                      | General    | Debt Service | Non-major<br>Governmental<br>Funds | Total        |
|------------------------------------------------------|------------|--------------|------------------------------------|--------------|
| Fund balances                                        |            |              |                                    |              |
| Nonspendable                                         |            |              |                                    |              |
| Inventory                                            | \$ 16,006  | \$ -         | \$ -                               | \$ 16,006    |
| Permanent fund principal                             | -          | -            | 12,048                             | 12,048       |
| Total nonspendable                                   | 16,006     | -            | 12,048                             | 28,054       |
| Restricted for                                       |            |              |                                    |              |
| 9 -1 -1                                              | 6,627      | -            | -                                  | 6,627        |
| Debt service                                         | -          | 69,565       | -                                  | 69,565       |
| Culture and recreation:                              |            |              |                                    |              |
| Culture and recreation services                      | -          | -            | 65,807                             | 65,807       |
| Library facilities                                   | -          | -            | 2,098                              | 2,098        |
| Parks and recreation facilities                      | -          | -            | 9,119                              | 9,119        |
| Culture and arts facilities                          | -          | -            | 5,303                              | 5,303        |
| Public safety:                                       |            |              |                                    |              |
| Police services                                      | -          | -            | 7,167                              | 7,167        |
| Homeland security                                    | -          | -            | 995                                | 995          |
| Fire station facilities                              | -          | -            | 92                                 | 92           |
| Police headquarters and safety facilities            | -          | -            | 10,573                             | 10,573       |
| Community development                                | -          | -            | 11,381                             | 11,381       |
| Health and human services                            | -          | -            | 887                                | 887          |
| Public-private partnerships                          | -          | -            | 30,228                             | 30,228       |
| Municipal court technology                           | -          | -            | 2,586                              | 2,586        |
| Public television cable system                       | -          | -            | 12,565                             | 12,565       |
| Grants and other purposes                            | -          | -            | 23,588                             | 23,588       |
| Storm water operations                               | -          | -            | 78,039                             | 78,039       |
| Streets and transportation:                          |            |              |                                    |              |
| Repairs                                              | -          | -            | 19,881                             | 19,881       |
| Improvements                                         | -          | -            | 133,564                            | 133,564      |
| Flood protection                                     | -          | -            | 202,617                            | 202,617      |
| Trinity River project                                | -          | -            | 39,212                             | 39,212       |
| Capital reserve and assessments                      | -          | -            | 10,444                             | 10,444       |
| Long-term note receivable                            | -          | -            | 4,161                              | 4,161        |
| Neighborhood projects:                               |            |              |                                    |              |
| Tax increment financing                              | -          | -            | 120,744                            | 120,744      |
| Economic development incentives                      | -          | -            | 32,216                             | 32,216       |
| City-wide capital improvements                       | -          | -            | 94,243                             | 94,243       |
| Farmers' Market improvements                         | -          | -            | 378                                | 378          |
| Municipal court facilities                           | -          | -            | 404                                | 404          |
| Homeless facilities                                  | -          | -            | 1,220                              | 1,220        |
| Public improvement district services                 | -          | -            | 41                                 | 41           |
| Total restricted                                     | 6,627      | 69,565       | 919,553                            | 995,745      |
| Committed to                                         |            |              |                                    |              |
| Risk reserve                                         | 2,000      | -            | -                                  | 2,000        |
| Culture and recreation services                      | -          | -            | 33,252                             | 33,252       |
| Total committed                                      | 2,000      | -            | 33,252                             | 35,252       |
| Assigned to                                          |            |              |                                    |              |
| Code enforcement services                            | 4,954      | -            | -                                  | 4,954        |
| Community development services                       | 686        | -            | -                                  | 686          |
| Cultural affairs services                            | 2,145      | -            | -                                  | 2,145        |
| Fire safety services                                 | 1,474      | -            | -                                  | 1,474        |
| Library services                                     | 2,396      | -            | -                                  | 2,396        |
| Municipal court services                             | 730        | -            | -                                  | 730          |
| Parks and recreation services                        | 2,817      | -            | -                                  | 2,817        |
| Police safety services                               | 3,010      | -            | -                                  | 3,010        |
| Streets, public works and transportation maintenance | 11,180     | -            | -                                  | 11,180       |
| General government services                          | 22,173     | -            | -                                  | 22,173       |
| Total assigned                                       | 51,565     | -            | -                                  | 51,565       |
| Unassigned                                           | 324,300    | -            | -                                  | 324,300      |
| Total fund balance                                   | \$ 400,498 | \$ 69,565    | \$ 964,853                         | \$ 1,434,916 |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 3. Joint Ventures

Dallas/Fort Worth International Airport (D/FW Airport)

Dallas/Fort Worth International Airport (D/FW Airport) was created by contract and agreement between the City of Fort Worth and the City of Dallas for the purpose of developing and operating an airport as a jointly governed organization between the two Cities. The D/FW Airport is governed by a 12-member board comprised of seven members representing the City of Dallas, four members representing the City of Fort Worth, and on an annual basis, one non-voting member chosen from the neighboring cities of Irving, Grapevine, Euless, and Coppell. The Board must submit an expenditure budget for each fiscal year to the City Manager of each city by July 15. The governing body of each city must approve the budget by September 1. The City is a member of the Revenue Sharing Agreement, as originally adopted on May 1, 2001. Total revenue for the year ended September 30, 2021, was approximately \$8 million from this agreement. Financial statements of the Airport are not included in the City's financial statements because the Airport is not under the sole control of the Dallas City Council and the City has no ongoing financial interest or responsibility for the airport. Separate audited financial statements, which are publicly available, may be obtained by contacting the D/FW Airport at 2400 Aviation Drive, P.O. Box 619428, DFW Airport, Texas 75261-9428 or at [www.dfwairport.com](http://www.dfwairport.com).

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 4. Tax Abatements

As of September 30, 2021, the City provides tax abatements through three programs: the Historic Preservation Program, the Public Private Partnership Program, and the Tax Increment Financing Program. The table below describes each of these programs:

| Tax Abatement Programs Administered by the City of Dallas                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                       |                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board</i> | Historic Preservation Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Public Private Partnership Program (PPP Program)                                                                                                                                      | Tax Increment Financing Program (TIF Program)                                                                                                                                                                               |
| 1. Purpose of program                                                                                        | To encourage economic development through the revitalization and preservation of the City's historic properties, including residential properties, and to assist in accomplishing the following goals: revitalize older neighborhoods to build and capture a stable tax base; support private sector investment in historic properties; encourage home ownership; promote pedestrian oriented, ground floor retail in the urban historic districts; support new uses for vacant and deteriorated historic buildings; and encourage low and moderate income families to invest in historic districts. | To stimulate private investment and job creation.                                                                                                                                     | To promote development or redevelopment in the City. The City reinvests a portion of property tax revenues generated from new real estate development into the area to encourage the implementation of redevelopment plans. |
| 2. Tax being abated                                                                                          | City of Dallas real property tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Real and/or business personal property, retail sales taxes, and hotel occupancy tax.                                                                                                  | City of Dallas real property tax.                                                                                                                                                                                           |
| 3. Authority for abatement agreements                                                                        | Dallas City Code, Article XI, "Historic Preservation Tax Exemptions and Economic Development Incentives for Historic Properties."                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Texas Tax Code Chapter 312, "Property Redevelopment and Tax Abatement Act" and Texas Tax Code Chapter 380, "Miscellaneous Provisions Relating to Municipal Planning and Development." | Texas Tax Code Chapter 311, "Tax Increment Financing Act."                                                                                                                                                                  |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 4. Tax Abatements (continued)

| Tax Abatement Programs Administered by the City of Dallas                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board</i> | Historic Preservation Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Public Private Partnership Program (PPP Program)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Tax Increment Financing Program (TIF Program)                                                                                                                                                                                                                                                                                                                                                                                 |
| 4. Criteria for abatement eligibility                                                                        | To be eligible for the program, the building must be a contributing structure within any City historic district. It must be designated as a City of Dallas historic district or an individual historic district. The type of abatement available depends on how much is invested in rehabilitation and where the property is located. Abatements are obtained through application by the property owner prior to commencing the improvements and require subsequent provision by the owner for proof that the improvements have been made. | The P/PP Program is intended to provide City support for development projects that have financial gaps or for projects that otherwise represent a competitive situation for the City against non-Dallas locations. Companies pursuing incentives under the P/PP Program must provide written assurance that "but for" the incentives, the proposed project would not occur, or would otherwise be substantially altered so that the economic returns or other associated public benefits secured by the City's participation would be reduced. | The TIF program is intended to provide City financial support for projects that 1) support goals of specific redevelopment plans for each TIF District and 2) fill funding gaps in projects. Development pursuing incentives must provide detailed financial information about the project/financing gaps; show how project meets objectives of TIF plan for district, and; meet rigorous design review process requirements. |
| 5. How recipients' taxes are reduced                                                                         | The property tax due is net of the abated amount.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1. The property tax due is net of the abated amount, or the property tax may be paid by the taxpayer and subsequently refunded by the City.<br>2. The sales tax abatement is refunded after the taxpayer pays the sales tax.<br>3. The hotel occupancy tax abatement is refunded after the taxpayer pays the hotel occupancy tax.                                                                                                                                                                                                              | Property taxes are paid by the taxpayer and subsequently refunded by the City to the taxpayer.                                                                                                                                                                                                                                                                                                                                |
| 6. How amount of abatement is determined                                                                     | The property tax abatement amount is based on the improvement expenditures for the structure as a percentage of the pre-rehabilitation value of the structure. The range of the abatement amount available is equal to the tax on the added value of the structure and land up to 100 percent of the total property tax.                                                                                                                                                                                                                   | 1. The property tax may be abated up to 90 percent of the property tax paid depending on the type of project.<br>2. The sales tax abated is equal to 50 percent of sales tax receipts for the first 10 years and 25 percent for the next 5 years.<br>3. The hotel occupancy tax is abatement is equal to 100 percent of the hotel occupancy tax collected.                                                                                                                                                                                     | TIF financial incentives are based on a number of factors: 1) financial gap; 2) ability of project to meet objectives of TIF district; and 3) adequate revenue stream.                                                                                                                                                                                                                                                        |



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 4. Tax Abatements (continued)

| Tax Abatement Programs Administered by the City of Dallas                                                                                  |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <i>Tax Abatement Disclosure as required by Statement No. 77 of the Government Accounting Standards Board</i>                               | Historic Preservation Program                                                                                                                                                                                                                  | Public Private Partnership Program (PPP Program)                                                                                                                                                                                                                                                                                                                                     | Tax Increment Financing Program (TIF Program)                                                    |
| 7. Provisions for recapturing abated taxes                                                                                                 | There is an obligation by the owner to repay any taxes that were exempted under this program if the historic property is ever demolished or materially altered by the willful act or negligence of the owner without necessary City approvals. | If there is failure to comply with the agreement and in the case of default, all taxes which otherwise would have been paid to the City without the benefit of tax abatement, including interest and penalties thereon, will become a debt to the City and shall become due.                                                                                                         | TIF incentives may or may not have a recapture provision. Each project is negotiated separately. |
| 8. Type of commitments made by the City other than to reduce taxes                                                                         | No other commitments were made by the City as part of these agreements.                                                                                                                                                                        | No other commitments were made by the City as part of these agreements.                                                                                                                                                                                                                                                                                                              | No other commitments were made by the City as part of these agreements.                          |
| 9. Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement (in thousands). | Property taxes: \$1,572                                                                                                                                                                                                                        | Property tax: \$5,745<br>Sales tax: N/A (1)<br>Hotel occupancy tax: 1,694<br>Total: \$7,439<br>(1) Texas Tax Code, Chapter 321, "Municipal Sales and Use Tax," Section 3022 - Information received by a municipality or other local governmental entity under this section is confidential, is not open to public inspection, and in general may only be used for internal purposes. | The TIF program: \$36,269                                                                        |

Note 5. Cash, Deposits, and Investments

A. General

The City maintains a cash and investment pool available for use by all City funds. Each fund's portion of this pool is displayed on the balance sheet/statement of net position as "Pooled cash and cash equivalents." The City treats pooled investments and short-term non-pooled investments as cash equivalents. Long-term non-pooled investments are reported as "Other investments, at fair-value" in the appropriate funds. In addition, several City funds have investments, which are separately held. A fund may overdraw its account in the pool, with the overdrafts reported as liabilities (due to other funds) on the balance sheet.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

In 1987, the City Council adopted the City's Investment Policy which was in compliance with Federal and State law and the City Charter. Subsequent amendments were made by the City Council to incorporate changes to the Public Funds Investment Act (Chapter 2256, Texas Government Code) and to improve management of the City's investments. The Public Funds Investment Act requires that investments shall be made in accordance with written policies approved at least annually by the governing body. Investment policies must address safety of principal, liquidity and yield, with primary emphasis on safety of principal. In accordance with this Policy, the City may invest in direct or guaranteed obligations of the U.S. Treasury, certain U.S. agencies and instrumentalities, and direct obligations of states and local governments with a credit rating no less than Aa3 or its equivalent; fully collateralized certificates of deposit and repurchase agreements; no-load money market mutual funds and local government investment pools with credit ratings no less than Aaa or its equivalent. The City's Investment Pool is an aggregation of the majority of City funds which includes tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, grants, gifts, and endowments. This portfolio is maintained to meet anticipated daily cash needs for City of Dallas operations, capital projects, and debt service. The City is precluded from investing in bankers' acceptances, commercial paper, and collateralized mortgage obligations, all of which are authorized by State law.

The Employees' Retirement Fund and the Dallas Police and Fire Pension Systems, component units of the City, are included under Pension Trust in the following table. Police and Fire Pension Plans include Dallas Police and Fire Pension Combined Plan (Combined Plan) and Supplemental Police and Fire Pension Plan (Supplemental Plan). A summary of pooled cash and other investments for all City funds, including blended component units and \$9 million held in custodial funds is presented below. Balances are presented as of September 30, 2021 or December 31, 2020, depending on the fiscal year of the entity.

|                                 | Cash and<br>Pooled<br>Investments with<br>City Treasury | Other Cash and<br>Investments<br>Held in Trusts -<br>Permanent<br>Funds | Other Cash<br>and<br>Investments<br>Held in<br>Pension Trust | Total               |
|---------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------|---------------------|
| Cash and cash equivalents       | \$ 2,684,416                                            | \$ -                                                                    | \$ 177,682                                                   | \$ 2,862,098        |
| Other investments               | 3,235                                                   | 12,048                                                                  | 6,529,255                                                    | \$ 6,544,538        |
| Restricted cash and investments | 378,177                                                 | -                                                                       | -                                                            | 378,177             |
| Total                           | <u>\$ 3,065,828</u>                                     | <u>\$ 12,048</u>                                                        | <u>\$ 6,706,937</u>                                          | <u>\$ 9,784,813</u> |

A summary of the carrying amount of cash on hand, deposits, and investments at September 30, 2021, is as follows:

|             | Cash and<br>Pooled<br>Investments<br>with City<br>Treasury | Other Cash and<br>Investments<br>Held in Trusts -<br>Permanent<br>Funds | Other Cash and<br>Investments<br>Held in Pension<br>Trust | Total               |
|-------------|------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|---------------------|
| Deposits    | \$ 297,357                                                 | \$ -                                                                    | \$ 177,682                                                | \$ 475,039          |
| Investments | 2,768,471                                                  | 12,048                                                                  | 6,529,255                                                 | 9,309,774           |
| Total       | <u>\$ 3,065,828</u>                                        | <u>\$ 12,048</u>                                                        | <u>\$ 6,706,937</u>                                       | <u>\$ 9,784,813</u> |

| Primary Government                              | Carrying Value    | Bank Balance      |
|-------------------------------------------------|-------------------|-------------------|
| Pooled Demand Deposits                          | \$ 297,357        | \$ 310,490        |
| Cash and cash equivalents - Pension Trust Funds | 177,682           | 177,682           |
| Total                                           | <u>\$ 475,039</u> | <u>\$ 488,172</u> |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

B. City of Dallas

The City of Dallas categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, level 2 inputs are significant other observable inputs, and level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2021:

|                                                      | Total               | Fair Value Measurements Using                                              |                                                        |
|------------------------------------------------------|---------------------|----------------------------------------------------------------------------|--------------------------------------------------------|
|                                                      |                     | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs (Level 2) |
| <u>Investments by Fair Value Level</u>               |                     |                                                                            |                                                        |
| Federal Agricultural Mortgage Corporation Notes      | \$ 609,929          | \$ -                                                                       | \$ 609,929                                             |
| Federal Farm Credit Bank Notes                       | 636,930             | -                                                                          | 636,930                                                |
| Federal Home Loan Bank Notes                         | 644,157             | -                                                                          | 644,157                                                |
| Federal Home Loan Mortgage Corporation Notes         | 40,016              | -                                                                          | 40,016                                                 |
| Treasury Bond                                        | 179,896             | 179,896                                                                    | -                                                      |
| Exchange-Traded Funds - Equities                     | 9,198               | 9,198                                                                      | -                                                      |
| Exchange-Traded Funds - Fixed Income                 | 2,483               | 2,483                                                                      | -                                                      |
| Total Investments by Fair Value Level                | <u>2,122,609</u>    | <u>\$ 191,577</u>                                                          | <u>\$ 1,931,032</u>                                    |
| <u>Investments Measured at Fair Value</u>            |                     |                                                                            |                                                        |
| Local Government Investment Pools                    | <u>75,342</u>       |                                                                            |                                                        |
| <u>Investments Measured at Net Asset Value (NAV)</u> |                     |                                                                            |                                                        |
| Money Market Mutual Funds                            | <u>323,043</u>      |                                                                            |                                                        |
| <u>Investments Measured at Amortized Cost</u>        |                     |                                                                            |                                                        |
| Local Government Investment Pools                    | <u>240,296</u>      |                                                                            |                                                        |
| <u>Other Investments Measured at Purchase Cost</u>   |                     |                                                                            |                                                        |
| Repurchase Agreements                                | <u>19,229</u>       |                                                                            |                                                        |
| Total Investments                                    | <u>\$ 2,780,519</u> |                                                                            |                                                        |

The City invests in LOGIC, TexSTAR, Texas CLASS, TexPool, and TexasTERM, which are Local Government Investment Pools (LGIPs) created under the Interlocal Cooperation Act, Texas Government Code Chapter 791, and the Public Funds Investment Act, Texas Government Code Chapter 2256. These two acts provide for the creation of LGIP's and authorize eligible governmental entities to invest their public funds and funds under their control through the investment pools. The LGIPs follow all requirements of the Public Funds Investment Act, including being rated by a nationally recognized rating agency, using amortized cost valuation, and, to the extent reasonably possible, stabilize at a \$1 net asset value.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

J.P. Morgan Investment Management Inc. and First Southwest Company (a division of Hilltop Securities) serve as co-administrators for the TexSTAR & LOGIC programs under agreements with each pool's respective board of directors. The TexSTAR governing board is a five-member Board consisting of three representatives of employees, officers or elected officials of participating government entities, and one member designated by each of the co-administrators. In addition, TexSTAR has an Advisory Board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool. The governing body of LOGIC is a five-member board of directors comprised of employees, officers or elected officials of participating government entities, or individuals who do not have a business relationship with LOGIC and are qualified to advise the pool. A maximum of two Advisory Board members represent the co-administrators of LOGIC.

Public Trust Advisors, LLC provides investment advisory services and administration and marketing services to Texas CLASS. Texas CLASS Board of Trustees oversees Texas CLASS. The Board is comprised of active members of the pool and elected by the Participants, guided by the Advisory Board. The Board is responsible for selecting the Administrator and Investment Advisors.

The Comptroller of Public Accounts for the State of Texas is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool and TexPool Prime. Pursuant to the TexPool Participation Agreement, administrative and investment services to the TexPool Portfolios are provided by Federated Investors, Inc., under an agreement with the State Comptroller, acting on behalf of the Trust Company. In addition, TexPool has an Advisory Board composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios who are qualified to advise the TexPool Portfolios.

PFM Asset Management LLC serves as Investment Advisor and Administrator of TexasTERM. An Advisory Board is responsible for the overall management of the pool, including formation and implementation of its investment and operating policies. The members of the Advisory Board are local government officials elected by Texas TERM's investors.

Deposit and Investment Risk Disclosures

GASB Statement No. 40, "Deposit and Investment Risk Disclosures," requires disclosure information related to common risks inherent in deposit and investment transactions. Investments are subject to certain types of risks, including custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Exposure of deposited funds and investment risk are disclosed in the following sections of this note.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its deposit or collateral securities that are in the possession of an outside party. As of September 30, 2021, \$109.87 million was fully collateralized by municipal bonds rated not less than A or its equivalent, \$150 million was fully collateralized by letter of credit issued to the City by Federal Home Loan Bank, and \$250 thousand was insured by the Federal Deposit Insurance Corporation. The collateral pledged to the City is held in the City's name at the Bank of New York Mellon. The FDIC insures demand accounts up to \$250 thousand in the aggregate. At September 30, 2021, all deposits were either insured or collateralized.

Fully collateralized and insured deposits held by custodian banks:

|                 |                   |
|-----------------|-------------------|
| Demand Deposits | \$ 260.12 million |
|-----------------|-------------------|

Safekeeping of investment securities is provided by the City's depository and trust institutions. Securities are held in street name with the bank as nominee. As of September 30, 2021, the City's investments held by the counterparty, and not insured, are as follows:

| Security Type                             | Fair Value   |
|-------------------------------------------|--------------|
| U.S. Agency Securities and Treasury Notes | \$ 2,110,928 |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Concentration of Credit Risk

The City's concentration of credit risk for investments is shown below. Investments issued or explicitly guaranteed by the U.S. government, and investments in mutual funds and external investment pools, are excluded.

| <u>Agency Securities by Issuer</u>              | <u>Fair Value</u> | <u>Percent of Total Portfolio</u> |
|-------------------------------------------------|-------------------|-----------------------------------|
| Federal Agricultural Mortgage Corporation Notes | \$ 609,929        | 28.89%                            |
| Federal Farm Credit Bank Notes                  | 636,930           | 30.17%                            |
| Federal Home Loan Bank Notes                    | 644,157           | 30.52%                            |
| Federal Home Loan Mortgage Corporation Notes    | 40,016            | 1.90%                             |
| Treasury Bond                                   | 179,896           | 8.52%                             |
| Total Agency Securities                         | \$ 2,110,928      | 100.00%                           |

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market mutual funds and local government investment pools in the City's portfolio are rated AAA by Standard & Poor's and/or Aaa by Moody's. U.S. Treasury Notes and Bills are obligations of the U.S. government and are not considered to have credit risk and thus are not rated (NR). Long-term bond ratings are used for the U.S. Government Agencies except for Federal Agricultural Mortgage Corporation (FAMC) Notes. U.S. Government Agencies are direct obligations of the United States agencies, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States agencies. Ratings for the City's portfolio are listed on the following table.

| <u>Security Type</u>                                                      | <u>Fair Value</u> | <u>Percent of Total Portfolio</u> | <u>S&amp;P/Moody's Ratings</u> |
|---------------------------------------------------------------------------|-------------------|-----------------------------------|--------------------------------|
| Money Market Mutual Funds<br>and Local Government Investment Pools        | \$ 638,682        | 23.23%                            | AAAm/Aaa                       |
| Federal Agricultural Mortgage Corporation Notes                           | 609,929           | 22.18%                            | Not Rated                      |
| Other U.S. Agency Securities and Treasury Bond                            | 1,500,998         | 54.59%                            | AA+/Aaa                        |
| Total Portfolio                                                           | \$ 2,749,609      | 100.00%                           |                                |
| Repurchase Agreements and Investment<br>Portfolios Held by Various Trusts | 30,910            |                                   |                                |
| Total Investments                                                         | \$ 2,780,519      |                                   |                                |

Interest Rate Risk

In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the Investment Pool shall not exceed 1.5 years. The weighted average maturities of the City's investments at September 30, 2021 are shown on the following page.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

| Security Type                                                             | Fair Value   | Weighted<br>Average<br>Maturity<br>(days) |
|---------------------------------------------------------------------------|--------------|-------------------------------------------|
| Money Market Mutual Funds                                                 | \$ 323,043   | 1                                         |
| Local Government Investment Pools                                         | 315,639      | 39                                        |
| U.S. Agency Securities and Treasury Bond                                  | 2,110,927    | 389                                       |
| Total Portfolio                                                           | 2,749,609    | 142                                       |
| Repurchase Agreements and Investment<br>Portfolios Held by Various Trusts | 30,910       |                                           |
| Total Investments                                                         | \$ 2,780,519 |                                           |

C. Employees' Retirement Fund

The Employees' Retirement Fund measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

At December 31, 2020, the Plan had the following recurring fair value measurements.

|                                               | Total        | Fair Value Measurements Using |            |          |
|-----------------------------------------------|--------------|-------------------------------|------------|----------|
|                                               |              | Level 1                       | Level 2    | Level 3  |
| <u>Investments by Fair Value Level</u>        |              |                               |            |          |
| Cash and Short Term Investment:               |              |                               |            |          |
| Short-Term Investment Fund                    | \$ 89,190    | \$ 89,190                     | \$ -       | \$ -     |
| Fixed Income:                                 |              |                               |            |          |
| Domestic Asset and Mortgage Backed Securities | 96,737       |                               | 96,737     |          |
| Government and US Agency Obligations          | 193,654      | -                             | 193,654    | -        |
| Corporate and Taxable Municipal Bonds         | 655,395      | 6,590                         | 648,805    | -        |
| Index Fixed Income Funds                      | 37,500       | 37,500                        | -          | -        |
| Total Fixed Income                            | 983,286      | 44,090                        | 939,196    | -        |
| Equity:                                       |              |                               |            |          |
| Domestic Common and Preferred Stock           | 1,171,032    | 1,169,303                     | -          | 1,729    |
| International Common and Preferred Stock      | 456,129      | 455,946                       | 175        | 8        |
| Total Equity                                  | 1,627,161    | 1,625,249                     | 175        | 1,737    |
| Total Investments by Fair Value Level         | \$ 2,699,637 | \$ 1,758,529                  | \$ 939,371 | \$ 1,737 |
| Investments Measured at Net Asset Value       |              |                               |            |          |
| Commingled Funds                              | 462,750      |                               |            |          |
| Alternative Investments - Private Equity      | 538,963      |                               |            |          |
| Total Investments Measured at Net Asset Value | \$ 1,001,713 |                               |            |          |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Custodial Credit Risk

As of December 31, 2020, the Employees' Retirement Fund had \$3.6 million, or 0.1 percent of the total Plan investments of \$3.6 billion exposed to custodial credit risk as follows:

|                                                                                 |               |
|---------------------------------------------------------------------------------|---------------|
| Uninsured and uncollateralized held by custodian bank outside the United States | \$3.6 million |
|---------------------------------------------------------------------------------|---------------|

Concentration of Credit Risk

The Employees' Retirement Fund board has contracted with investment managers to manage the investment portfolio of the Plan, subject to the policies and guidelines established by the board. Northern Trust Company, as the Plan's custodian bank, had responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and accounting for the investment transactions. The Plan had no investments that individually represented 5 percent or more of the net position available for benefits at December 31, 2020. The Plan's concentration of credit risk policy is communicated to individual managers in their guidelines through limitations or restrictions to securities, sectors, debt ratings, and other factors that may be applicable to a particular manager.

Credit Risk

The Employees' Retirement Fund Investment policy allocates 30 percent of the total assets to fixed income. The policy provides for investments of up to 15 percent of fixed income assets in investment grade assets, up to 10 percent of fixed income assets in below investment grade assets, and up to 5 percent for Opportunistic Credit. The investment grade allocation allows the managers to invest up to 20 percent of their portfolio assets in non-US dollar issues on an opportunistic basis. Long term bond ratings for the Employees' Retirement Fund as of December 31, 2020 are shown on the following page.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

| Quality Rating                               | Fair Value        | Percent of<br>Bond Portfolio |
|----------------------------------------------|-------------------|------------------------------|
| AAA                                          | \$ 42,907         | 4.39%                        |
| AA+                                          | 41,513            | 4.25%                        |
| AA                                           | 875               | 0.09%                        |
| AA-                                          | 948               | 0.10%                        |
| A+                                           | 4,894             | 0.50%                        |
| A                                            | 7,087             | 0.73%                        |
| A-                                           | 18,178            | 1.86%                        |
| BBB+                                         | 18,999            | 1.94%                        |
| BBB                                          | 13,434            | 1.38%                        |
| BBB-                                         | 5,902             | 0.60%                        |
| BB+                                          | 24,763            | 2.54%                        |
| BB                                           | 37,445            | 3.83%                        |
| BB-                                          | 51,547            | 5.28%                        |
| B+                                           | 50,102            | 5.13%                        |
| B                                            | 37,104            | 3.80%                        |
| B-                                           | 35,989            | 3.68%                        |
| CCC+                                         | 22,082            | 2.26%                        |
| CCC                                          | 7,517             | 0.77%                        |
| CCC-                                         | 947               | 0.10%                        |
| D                                            | 1,333             | 0.14%                        |
| Not Rated                                    | 436,667           | 44.70%                       |
| U.S. Government fixed income securities - NR | 116,587           | 11.93%                       |
| Total                                        | <u>\$ 976,820</u> | <u>100.00%</u>               |

Interest Rate Risk

In the Employees' Retirement Fund, Government Mortgage-Backed Securities are most sensitive to changes in interest rates as their payments can vary significantly with interest rate changes. This change in prepayments will generally cause the duration, or interest rate risk, of these securities to increase when interest rates rise and decrease when interest rates fall. These securities represent 5.4 percent of the total fixed income portfolio with a fair value of \$52.65 million at December 31, 2020. The Employees' Retirement Fund communicates its policy for interest rate risk to the Fixed Income managers through the Fixed Income Asset Policy and each manager's guidelines.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

As of December 31, 2020, the Employees' Retirement Fund weighted-average maturities of the fixed income securities are as follows:

| Fixed Income Securities               | Fair Value        | Weighted<br>Average<br>Maturity<br>(Years) |
|---------------------------------------|-------------------|--------------------------------------------|
| Asset Backed Securities               | \$ 48,999         | 11.72                                      |
| Bank Loans                            | 22,427            | 4.55                                       |
| Commercial Mortgage-Backed            | 35,580            | 25.27                                      |
| Corporate Bonds                       | 555,303           | 8.80                                       |
| Government Agencies                   | 99,636            | 29.96                                      |
| Government Bonds                      | 103,743           | 10.55                                      |
| Government Mortgage-Backed Securities | 52,652            | 17.51                                      |
| Index Lined Government Bonds          | 875               | 29.15                                      |
| Municipal/Provincial Bonds            | 24,504            | 19.36                                      |
| Non-Government Backed CMOs            | 33,101            | 23.14                                      |
| Total                                 | <u>\$ 976,820</u> |                                            |

Portfolio weighted average maturity in years: 12.09

Foreign Currency Risk

The Employees' Retirement Fund investment policies limit the aggregate amount that can be invested in each class of investments. The equity investment policy sets an allocation of 12.5 percent of assets to international equity, 7.5 percent of the assets to global equity, and 12.5 percent to global low volatility equity. The fixed income policy permits up to 15 percent of the global manager's portfolio to be invested in global investment grade fixed income bonds. The Fund's positions in these equity securities, invested directly and through commingled funds, was 32.47 percent of invested assets at December 31, 2020. The Fund's positions in Global Fixed income assets invested were 27.04 percent of invested assets at December 31, 2020. Employees' Retirement Fund non-US Dollar denominated investments at December 31, 2020 were as shown on the following page.

| Currency                             | Investment Type  | Balances<br>(U.S. Dollars) |
|--------------------------------------|------------------|----------------------------|
| Various Foreign Currencies           | Equity           | \$ 5,244                   |
| Various Foreign Currencies           | Fixed Income     | 19,980                     |
| Various Foreign Currencies           | Currency Forward | 195,790                    |
| Total non-US denominated instruments |                  | <u>\$ 221,014</u>          |

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Securities Lending Transactions

The board of the Employees' Retirement Fund has authorized the Plan to enter into agreements for the lending of certain of the Plan's securities (the "Securities Lending Program" or Program) including, but not limited to, stocks and bonds to counter party brokers and banks ("borrowers"), for a predetermined period of time and fee. Such transactions are not prohibited by State statute.

During the fiscal year ended December 31, 2020, Northern Trust ("Northern") lent, on behalf of the Employees' Retirement Fund, securities held by Northern, as a custodian, and received United States dollar cash, United States government agency securities, agency securities, and irrevocable bank letters of credit as collateral. Northern did not have the ability to pledge or sell collateral securities absent a borrower default. Northern Trust's Core USA Collateral Section establishes requirements for participation, collateralization levels, cash and non-cash collateral guidelines, and investment guidelines for the collateral received from borrowers. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities, the collateral for which is all denominated in the same currency as the loaned securities, 102 percent of the fair value of the loaned securities plus any accrued but unpaid distributions thereon, and (ii) in the case of loaned securities, the collateral for which is denominated in a different currency from the loaned securities, 105 percent of the fair value of the loaned securities plus any accrued but unpaid distributions thereon. Additionally, the guidelines set maturity/liquidity requirements for the collateral received from borrowers. At year-end, the Plan had no credit risk exposure to borrowers because the amounts of collateral held by the Plan exceed the amounts the borrowers owe the Plan. The collateral held for the Plan as of December 31, 2020 was \$239 million and is reported as an asset on the Statement of Net Position for the fiduciary funds.

The Board did not impose any restrictions during the fiscal year on the amount of the loans that Northern made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or Northern. Northern is contractually obligated to fully indemnify the Plan for a borrower's failure to return the loaned securities.

During the fiscal year, the Board and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral was invested, together with the collateral of other qualified tax-exempt plan lenders, in collective investment pools maintained by Northern. The relationship between the average maturities of the investment pools and the Plans' loans were affected by the maturities of the loans made by other plans' entities that invested cash collateral in the collective investment pools, which the Board could not determine.

D. Dallas Police and Fire Pension System

Investment in Group Master Trust

The Dallas Police and Fire Pension System's (the System) investments are held in the Group Master Trust (Group Trust). JP Morgan Chase served as custodian for the year ended December 31, 2020. The book value of the System interests in the Group Trust is based on the unitized interests that it has in the Group Trust. The Combined Plan's interest in the Group Trust was approximately 99.2 percent at December 31, 2020. The Supplemental Plan's interest in the Group Trust was approximately 0.8 percent at December 31, 2020. The allocation of investment income between the Combined Plan and the Supplemental Plan is based on the number of units owned of the Group Trust. Benefits, contributions, and administrative expenses are allocated to each plan directly.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 5. Cash, Deposits, and Investments (continued)

GASB No. 72 requires all investments be categorized under a fair value hierarchy. Fair value of investments is determined based on both observable and unobservable inputs. Investments are categorized within the fair value hierarchy established by GASB and the levels within the hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date;
- Level 2: Inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs; and
- Level 3: Significant unobservable inputs for an asset or liability.

The remaining investments not categorized under the fair value hierarchy are shown at NAV. These are investments in non-governmental entities for which a readily determinable fair value is not available, such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. Investments at NAV are commonly calculated by subtracting the fair value of liabilities from the fair value of assets.

The table on the following page presents a summary of the Group Trust's investments by type as of December 31, 2020, at fair value.

|                                                      | Total               | Fair Value Measurements Using |                   |                   |
|------------------------------------------------------|---------------------|-------------------------------|-------------------|-------------------|
|                                                      |                     | Level 1                       | Level 2           | Level 3           |
| <b>Investments by Fair Value Level</b>               |                     |                               |                   |                   |
| Short-term investment funds                          | \$ 20,430           | \$ 20,430                     | \$ -              | \$ -              |
| Fixed income securities                              |                     |                               |                   |                   |
| US Treasury bonds                                    | 44,843              | -                             | 44,843            | -                 |
| US Government Agencies                               | 21,063              | -                             | 21,063            | -                 |
| Corporate bonds                                      | 282,086             | -                             | 282,086           | -                 |
| Foreign-denominated bonds                            | -                   | -                             | -                 | -                 |
| Municipal bonds                                      | 9,892               | -                             | 9,892             | -                 |
| Equity securities                                    |                     |                               |                   |                   |
| Domestic                                             | 355,856             | 355,856                       | -                 | -                 |
| Foreign                                              | 283,035             | 283,035                       | -                 | -                 |
| Real assets                                          |                     |                               |                   |                   |
| Real estate                                          | 230,550             | -                             | -                 | 230,550           |
| Timberland                                           | 3,830               | -                             | -                 | 3,830             |
| Farmland                                             | 100,665             | -                             | -                 | 100,665           |
| Private equity                                       | 45,732              | -                             | -                 | 45,732            |
| Forward currency contracts                           | (297)               | -                             | (297)             | -                 |
| <b>Total Investments by Fair Value Level</b>         | <b>1,397,685</b>    | <b>\$ 659,321</b>             | <b>\$ 357,587</b> | <b>\$ 380,777</b> |
| <b>Investments Measured at Net Asset Value</b>       |                     |                               |                   |                   |
| Equity - commingled funds                            | 61,876              |                               |                   |                   |
| Fixed income - commingled funds                      | 115,538             |                               |                   |                   |
| Real assets                                          | 190,288             |                               |                   |                   |
| Private Equity                                       | 91,578              |                               |                   |                   |
| <b>Total Investments Measured at Net Asset Value</b> | <b>459,280</b>      |                               |                   |                   |
| <b>Total Investments Measured at Fair Value</b>      | <b>\$ 1,856,965</b> |                               |                   |                   |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Custodial Credit Risk

DPFP does not have a formal policy for custodial credit risk of its deposits. The Federal Depository Insurance Corporation (FDIC) insures any deposits of an employee benefit plan in an insured depository institution on a "pass-through" basis, in the amount of up to \$250,000 for the non-contingent interest of each plan participant at each financial institution. The pass-through insurance applies only to vested participants. DPFP believes the custodial credit risk for deposit, if any, is not material.

Credit Risk

The Dallas Police and Fire Pension System does not have a formal policy limiting investment credit risk, but rather mandates such limits within the Investment Management Services Contract. The System's exposure to investment credit risk in fixed income securities as of December 31, 2020 is shown below.

| Quality Rating                    | Corporate Bonds   | Municipal Bonds | U.S. Government Securities | Foreign Government Securities | Grand Total Book Value | Percentage of Holdings |
|-----------------------------------|-------------------|-----------------|----------------------------|-------------------------------|------------------------|------------------------|
| AAA                               | \$ 59,035         | \$ 428          | \$ 1,626                   | \$ -                          | \$ 61,089              | 17.05%                 |
| AA+                               | 5,620             | 1,253           | 51,566                     | -                             | 58,439                 | 16.33%                 |
| AA                                | 2,101             | 2,707           | 725                        | -                             | 5,533                  | 1.55%                  |
| AA-                               | 1,585             | 1,128           | -                          | -                             | 2,713                  | 0.76%                  |
| A+                                | 6,549             | 932             | -                          | -                             | 7,481                  | 2.09%                  |
| A                                 | 17,869            | 1,776           | -                          | -                             | 19,645                 | 5.49%                  |
| A-                                | 21,050            | 666             | -                          | -                             | 21,716                 | 6.07%                  |
| BBB+                              | 35,846            | -               | -                          | -                             | 35,846                 | 10.02%                 |
| BBB                               | 28,509            | -               | -                          | -                             | 28,509                 | 7.97%                  |
| BBB-                              | 21,579            | -               | -                          | -                             | 21,579                 | 6.03%                  |
| BB+                               | 4,412             | -               | -                          | -                             | 4,412                  | 1.23%                  |
| BB                                | 10,269            | -               | -                          | -                             | 10,269                 | 2.87%                  |
| BB-                               | 11,883            | -               | -                          | -                             | 11,883                 | 3.32%                  |
| B+                                | 9,454             | -               | -                          | -                             | 9,454                  | 2.64%                  |
| B                                 | 9,927             | -               | -                          | -                             | 9,927                  | 2.77%                  |
| B-                                | 8,509             | -               | -                          | -                             | 8,509                  | 2.38%                  |
| Below B-                          | 7,574             | -               | -                          | -                             | 7,574                  | 2.12%                  |
| Not Rated                         | 20,315            | 1,002           | 11,989                     | -                             | 33,306                 | 9.31%                  |
| Subtotal                          | <u>\$ 282,086</u> | <u>\$ 9,892</u> | <u>\$ 65,906</u>           | <u>\$ -</u>                   | <u>\$ 357,884</u>      | <u>100.00%</u>         |
| Total credit risk debt securities |                   |                 |                            |                               | \$ 357,884             | 19.27%                 |
| Other investments                 |                   |                 |                            |                               | 1,499,081              | 80.73%                 |
| Total investments                 |                   |                 |                            |                               | <u>\$ 1,856,965</u>    | <u>100.00%</u>         |

Interest Rate Risk

As of December 31, 2020, the Dallas Police and Fire Pension Plans had the following investments and maturities:

| Investment Type          | Total             | Investment Maturity in Years |                   |                  |                    |
|--------------------------|-------------------|------------------------------|-------------------|------------------|--------------------|
|                          |                   | Less Than 1 Year             | 1 - 5 Years       | 6 - 10 Years     | More Than 10 Years |
| Fixed maturity domestic: |                   |                              |                   |                  |                    |
| U.S. Treasury Bonds      | \$ 44,843         | \$ 4,086                     | \$ 37,800         | \$ 1,095         | \$ 1,862           |
| U.S. Government Agencies | 21,063            | 595                          | 581               | 1,977            | 17,910             |
| Corporate Bonds          | 282,086           | 13,124                       | 154,118           | 49,645           | 65,199             |
| Municipal Bonds          | 9,892             | -                            | 4,249             | 384              | 5,259              |
| Total                    | <u>\$ 357,884</u> | <u>\$ 17,805</u>             | <u>\$ 196,748</u> | <u>\$ 53,101</u> | <u>\$ 90,230</u>   |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

While the Plans do not have a specific investment policy to limit investment maturities as a means of managing their exposure to interest rate risk, the Plans do manage this exposure by mandating maturity limits within the Investment Management Service Contracts.

Foreign Currency Risk

Police and Fire Pension Plans do not have specific policy guidelines other than the constraints included in the individual investment manager contracts. Police and Fire Pension Plans non-US Dollar denominated investments at December 31, 2020 is shown below.

| Currency                             | Investment Type | Balance of<br>Investment<br>(U.S. Dollars) |
|--------------------------------------|-----------------|--------------------------------------------|
| Various Foreign Currencies           | Equity          | \$ 283,035                                 |
| Various Foreign Currencies           | Real Assets     | 28,083                                     |
| Total non-US denominated instruments |                 | \$ 311,118                                 |

Securities Lending Transactions

The Board of Dallas Police and the Dallas Fire Pension System has authorized the System to enter into agreements for the lending of certain of the System’s securities (the “Securities Lending Program” or Program) including, but not limited to, stocks and bonds to counter party brokers and banks (“borrowers”), for a predetermined period of time and fee. Such transactions are not prohibited by State statute.

During the fiscal year ended December 31, 2020, JP Morgan Chase (“JP Morgan”) lent, on behalf of the Dallas Police and Fire Pension System, securities held by JP Morgan as a custodian, and received United States dollar cash and United States Government securities as collateral. JP Morgan did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was in the United States or sovereign debt issued by foreign governments, 102 percent of the fair value of the loaned securities, and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not in the United States dollars, 105 percent of the fair value of the loaned securities. At year-end, the System has no credit risk exposure to borrowers because the amounts of collateral held by the System exceed the amounts the borrowers owe the System. There was no collateral held for the System as of December 31, 2020.

The Board did not impose any restrictions during the fiscal year on the amount of the loans that JP Morgan made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or JP Morgan.

During the fiscal year, the Board and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral was invested, together with the collateral of other qualified tax-exempt plan lenders, in collective investment pools maintained by and JP Morgan. The relationship between the average maturities of the investment pools and the Plans’ loans were affected by the maturities of the loans made by other plans’ entities that invested cash collateral in the collective investment pools, which the Board could not determine.

E. City of Dallas 401(k) Retirement Savings Plan

The 401(k) Retirement Savings Plan measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 5. Cash, Deposits, and Investments (continued)

At December 31, 2020, the Plan had the following recurring fair value measurements.

|                                                      | Total             | Fair Value Measurements Using |             |             |
|------------------------------------------------------|-------------------|-------------------------------|-------------|-------------|
|                                                      |                   | Level 1                       | Level 2     | Level 3     |
| <u>Investments by Fair Value Level</u>               |                   |                               |             |             |
| Mutual Funds                                         | \$ 319,791        | \$ 319,791                    | \$ -        | \$ -        |
| Brokerage Accounts                                   | 20,152            | 20,152                        | -           | -           |
| Total Investments by Fair Value Level                | <u>339,943</u>    | <u>\$ 339,943</u>             | <u>\$ -</u> | <u>\$ -</u> |
| <u>Investments Measured at Net Asset Value (NAV)</u> |                   |                               |             |             |
| Stable Value Fund                                    | 58,318            |                               |             |             |
| Total Investments                                    | <u>\$ 398,261</u> |                               |             |             |

Custodial Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for custodial credit risk. At December 31, 2020, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for concentration of credit risk credit risk. At December 31, 2020, there were no investments subject to concentration of credit risk.

Credit Risk

The 401(k) Retirement Savings Plan has no formal policy for credit risk credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2020, is shown in the table below:

| Security Type      | Fair Value       | Percent of Total Portfolio | S&P Rating       |
|--------------------|------------------|----------------------------|------------------|
| Corporate Bond     | \$ 16,417        | 28.15%                     | AA to Not Rated  |
| Bankers Acceptance | 1,364            | 2.34%                      | A+ to Not Rated  |
| FHLMC              | 2,755            | 4.72%                      | AAA to Not Rated |
| FNMA               | 4,056            | 6.95%                      | Not Rated        |
| Future             | 1                | 0.00%                      | Not Rated        |
| Government Bond    | 227              | 0.39%                      | AA+              |
| GNMA2              | 259              | 0.44%                      | Not Rated        |
| Municipal Bond     | 434              | 0.74%                      | AAA to AA-       |
| Mutual Fund        | 592              | 1.02%                      | Not Rated        |
| Mortgage Related   | 12,355           | 21.19%                     | AAA to Not Rated |
| Common Stock       | 1,508            | 2.59%                      | Not Rated        |
| Treasury Note      | 18,350           | 31.47%                     | Not Rated        |
| Total              | <u>\$ 58,318</u> | <u>100.00%</u>             |                  |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Interest Rate Risk

As of December 31, 2020, City of Dallas 401(k) Retirement Savings Plan weighted-average maturities of the fixed income securities in the stable value fund are as follows:

| <u>Security Type</u> | <u>Fair Value</u> | <u>Weighted<br/>Average<br/>Maturity<br/>(Years)</u> |
|----------------------|-------------------|------------------------------------------------------|
| Corporate Bond       | \$ 16,417         | 0.86                                                 |
| Bankers Acceptance   | 1,364             | 0.05                                                 |
| FHLMC                | 2,755             | 0.35                                                 |
| FNMA                 | 4,056             | 1.05                                                 |
| Future               | 1                 | -                                                    |
| Government Bond      | 227               | 0.01                                                 |
| GNMA2                | 259               | 0.13                                                 |
| Municipal Bond       | 434               | 0.03                                                 |
| Mutual Fund          | 592               | -                                                    |
| Mortgage Related     | 12,355            | 4.17                                                 |
| Common Stock         | 1,508             | -                                                    |
| Treasury Note        | 18,350            | 1.40                                                 |
| Total                | <u>\$ 58,318</u>  |                                                      |

Portfolio weighted average maturity in years: 1.66

Foreign Currency Risk

The 401(k) Retirement Savings Plan has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2020.

F. City of Dallas 457 Deferred Compensation Plan for City Employees

The 457 Deferred Compensation Plan measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

At December 31, 2020, the Plan had the following recurring fair value measurements.

|                                                      | <u>Total</u>      | <u>Fair Value Measurements Using</u> |                |                |
|------------------------------------------------------|-------------------|--------------------------------------|----------------|----------------|
|                                                      |                   | <u>Level 1</u>                       | <u>Level 2</u> | <u>Level 3</u> |
| <u>Investments by Fair Value Level</u>               |                   |                                      |                |                |
| Mutual Funds                                         | \$ 345,632        | \$ 345,632                           | -              | -              |
| Brokerage Accounts                                   | 27,491            | 27,491                               | -              | -              |
| Total Investments by Fair Value Level                | <u>373,123</u>    | <u>\$ 373,123</u>                    | <u>\$ -</u>    | <u>\$ -</u>    |
| <u>Investments Measured at Net Asset Value (NAV)</u> |                   |                                      |                |                |
| Stable Value Fund                                    | 45,088            |                                      |                |                |
| Total Investments                                    | <u>\$ 418,211</u> |                                      |                |                |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Custodial Credit Risk

The 457 Deferred Compensation Plan has no formal policy for custodial credit risk. At December 31, 2020, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 457 Deferred Compensation Plan has no formal policy for concentration of credit risk. At December 31, 2020, there were no investments subject to concentration of credit risk.

Credit Risk

The 457 Deferred Compensation Plan has no formal policy for credit risk credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2020, is shown in the table below:

| <u>Security Type</u> | <u>Fair Value</u> | <u>Percent of<br/>Total<br/>Portfolio</u> | <u>S&amp;P Rating</u> |
|----------------------|-------------------|-------------------------------------------|-----------------------|
| Corporate Bond       | \$ 12,693         | 28.15%                                    | AA to Not Rated       |
| Bankers Acceptance   | 1,055             | 2.34%                                     | A+ to Not Rated       |
| FHLMC                | 2,130             | 4.72%                                     | AAA to Not Rated      |
| FNMA                 | 3,135             | 6.95%                                     | Not Rated             |
| Future               | 1                 | 0.00%                                     | Not Rated             |
| Government Bond      | 175               | 0.39%                                     | AA+                   |
| GNMA2                | 200               | 0.44%                                     | Not Rated             |
| Municipal Bond       | 336               | 0.74%                                     | AAA to AA-            |
| Mutual Fund          | 458               | 1.02%                                     | Not Rated             |
| Mortgage Related     | 9,552             | 21.19%                                    | AAA to Not Rated      |
| Common Stock         | 1,165             | 2.59%                                     | Not Rated             |
| Treasury Note        | 14,188            | 31.47%                                    | Not Rated             |
| Total                | <u>\$ 45,088</u>  | <u>100.00%</u>                            |                       |

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Interest Rate Risk

As of December 31, 2020, the City of Dallas 457 Deferred Compensation Plan for City Employees weighted-average maturities of the fixed income securities are as follows:

| Security Type      | Fair Value | Weighted<br>Average<br>Maturity<br>(Years) |
|--------------------|------------|--------------------------------------------|
| Corporate Bond     | \$ 12,693  | 0.86                                       |
| Bankers Acceptance | 1,055      | 0.05                                       |
| FHLMC              | 2,130      | 0.35                                       |
| FNMA               | 3,135      | 1.05                                       |
| Future             | 1          | -                                          |
| Government Bond    | 175        | 0.01                                       |
| GNMA2              | 200        | 0.13                                       |
| Municipal Bond     | 336        | 0.03                                       |
| Mutual Fund        | 458        | -                                          |
| Mortgage Related   | 9,552      | 4.17                                       |
| Common Stock       | 1,165      | -                                          |
| Treasury Note      | 14,188     | 1.40                                       |
| Total              | \$ 45,088  |                                            |

Portfolio weighted average maturity in years: 1.66

Foreign Currency Risk

The 457 Deferred Compensation Plan has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2020.

G. City of Dallas 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers measures and categorized its investments according to fair value hierarchy guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices in active market; and
- Level 3: Significant Unobservable inputs.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 5. Cash, Deposits, and Investments (continued)

At December 31, 2020, the Plan had the following recurring fair value measurements.

| Investments Measured at Net Asset Value (NAV) | Total    |
|-----------------------------------------------|----------|
| Stable Value Fund                             | \$ 4,125 |
| Total Investments Measured at Net Asset Value | \$ 4,125 |

Custodial Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for custodial credit risk. At December 31, 2020, there were no investments subject to custodial credit risk.

Concentration of Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for concentration of credit risk. At December 31, 2020, there were no investments subject to concentration of credit risk.

Credit Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for credit risk. Information on the credit ratings associated with the Stable Value Fund at December 31, 2020, is shown in the table below:

| Security Type      | Fair Value | Percent of<br>Total<br>Portfolio | S&P Rating       |
|--------------------|------------|----------------------------------|------------------|
| Corporate Bond     | \$ 1,161   | 28.15%                           | AA to Not Rated  |
| Bankers Acceptance | 96         | 2.34%                            | A+ to Not Rated  |
| FHLMC              | 195        | 4.72%                            | AAA to Not Rated |
| FNMA               | 287        | 6.95%                            | Not Rated        |
| Future             | 1          | 0.00%                            | Not Rated        |
| Government Bond    | 16         | 0.39%                            | AA+              |
| GNMA2              | 18         | 0.44%                            | Not Rated        |
| Municipal Bond     | 31         | 0.74%                            | AAA to AA-       |
| Mutual Fund        | 42         | 1.02%                            | Not Rated        |
| Mortgage Related   | 874        | 21.19%                           | AAA to Not Rated |
| Common Stock       | 107        | 2.59%                            | Not Rated        |
| Treasury Note      | 1,297      | 31.47%                           | Not Rated        |
| Total              | \$ 4,125   | 100.00%                          |                  |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 5. Cash, Deposits, and Investments (continued)

Interest Rate Risk

As of December 31, 2020, the City of Dallas 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers weighted-average maturities of the fixed income securities are as follows:

| Security Type      | Fair Value | Weighted<br>Average<br>Maturity<br>(Years) |
|--------------------|------------|--------------------------------------------|
| Corporate Bond     | \$ 1,161   | 0.86                                       |
| Bankers Acceptance | 96         | 0.05                                       |
| FHLMC              | 195        | 0.35                                       |
| FNMA               | 287        | 1.05                                       |
| Future             | 1          | -                                          |
| Government Bond    | 16         | 0.01                                       |
| GNMA2              | 18         | 0.13                                       |
| Municipal Bond     | 31         | 0.03                                       |
| Mutual Fund        | 42         | -                                          |
| Mortgage Related   | 874        | 4.17                                       |
| Common Stock       | 107        | -                                          |
| Treasury Note      | 1,297      | 1.40                                       |
| Total              | \$ 4,125   |                                            |

Portfolio weighted average maturity in years: 1.66

Foreign Currency Risk

The 457 Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees, and City Councilmembers has no formal policy for foreign currency risk. There were no investments subject to foreign currency risk at December 31, 2020.

Note 6. Receivables

Receivables at September 30, 2021 for the government's individual major and nonmajor governmental and internal service funds, including the applicable allowances for uncollectible accounts, consist of the following:

|                                           | General    | Debt<br>Service | Nonmajor   | Internal<br>Service<br>Funds | Total<br>Governmental<br>Activities |
|-------------------------------------------|------------|-----------------|------------|------------------------------|-------------------------------------|
| Receivables:                              |            |                 |            |                              |                                     |
| Ad valorem tax                            | \$ 33,769  | \$ 13,055       | \$ -       | \$ -                         | \$ 46,824                           |
| Sales tax                                 | 63,476     | -               | -          | -                            | 63,476                              |
| Notes                                     | 386        | -               | 72,003     | -                            | 72,389                              |
| Accounts                                  | 112,025    | -               | 23,300     | 606                          | 135,931                             |
| Accrued interest                          | 59         | 14              | 590        | 22                           | 685                                 |
| Due from other governments                | 9,179      | 572             | 41,160     | -                            | 50,911                              |
| Gross receivables                         | 218,894    | 13,641          | 137,053    | 628                          | 370,216                             |
| Less allowance for uncollectible accounts | (55,788)   | (11,250)        | (31,918)   | -                            | (98,956)                            |
| Net total receivables                     | \$ 163,106 | \$ 2,391        | \$ 105,135 | \$ 628                       | \$ 271,260                          |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 6. Receivables (continued)

Receivables at September 30, 2021 for the primary government's individual major and nonmajor enterprise funds in the aggregate including the applicable allowances for uncollectible accounts, consist of the following:

|                                           | Dallas<br>Water<br>Utilities | Convention<br>Center | Airport<br>Revenues | Sanitation       | Nonmajor<br>Enterprise | Total<br>Business-type<br>Activities |
|-------------------------------------------|------------------------------|----------------------|---------------------|------------------|------------------------|--------------------------------------|
| Receivables:                              |                              |                      |                     |                  |                        |                                      |
| Accounts                                  | \$ 107,789                   | \$ 7,906             | \$ 14,720           | \$ 24,571        | \$ 507                 | \$ 155,493                           |
| Taxes                                     | -                            | 2,385                | -                   | -                | -                      | 2,385                                |
| Accrued interest                          | 130                          | 34                   | 50                  | 7                | 13                     | 234                                  |
| Due from other governments                | 123                          | -                    | 33,559              | -                | -                      | 33,682                               |
| Gross receivables                         | 108,042                      | 10,325               | 48,329              | 24,578           | 520                    | 191,794                              |
| Less allowance for uncollectible accounts | (26,511)                     | (110)                | (11)                | (8,635)          | (14)                   | (35,281)                             |
| Net total receivables                     | <u>\$ 81,531</u>             | <u>\$ 10,215</u>     | <u>\$ 48,318</u>    | <u>\$ 15,943</u> | <u>\$ 506</u>          | <u>\$ 156,513</u>                    |

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Intergovernmental revenues and related receivables arise through funding received from federal and state grants. These revenues and receivables are earned through expenditures of monies for grant purposes. At September 30, 2021, the various components of deferred inflows of resources – unavailable revenue and unearned revenue reported in the governmental funds were as follows:

|                   | Total<br>Governmental<br>Unearned | Deferred Inflows<br>of Resources<br>Unavailable<br>Revenue |
|-------------------|-----------------------------------|------------------------------------------------------------|
| Taxes             | \$ -                              | \$ 2,641                                                   |
| Accounts          | 3,368                             | 57,880                                                     |
| Intergovernmental | 225,375                           | 51,184                                                     |
| Total             | <u>\$ 228,743</u>                 | <u>\$ 111,705</u>                                          |

Note 7. Restricted Assets

The primary government's governmental and business-type restricted assets of \$768.4 million and \$1 billion, respectively, are composed of the following at September 30, 2021:

|                                         | Governmental<br>Activities | Business-Type<br>Activities |
|-----------------------------------------|----------------------------|-----------------------------|
| Cash and investments:                   |                            |                             |
| Pooled cash and cash equivalents        | \$ 768,351                 | \$ 625,355                  |
| Other investments                       | -                          | 109,229                     |
| Future pipeline reserve capacity rights | -                          | 273,063                     |
| Customer assessments                    | -                          | 684                         |
| Escrow deposit                          | -                          | 15,737                      |
| Total                                   | <u>\$ 768,351</u>          | <u>\$ 1,024,068</u>         |

The restricted amounts are for accumulated resources for debt service payments, deposits from service users, unspent bond and other proceeds for construction, retention guarantees from contractors, future pipeline reserve capacity rights, and escrow deposits (see Notes 11.S and 19 for additional information).

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 8. Capital Assets

Capital asset activity for the year ended September 30, 2021 is as follows:

|                                             | Balance,<br>September 30,<br>2020 | Additions         | Deletions           | Balance,<br>September 30,<br>2021 |
|---------------------------------------------|-----------------------------------|-------------------|---------------------|-----------------------------------|
| <b>Governmental Activities:</b>             |                                   |                   |                     |                                   |
| Capital assets, not being depreciated:      |                                   |                   |                     |                                   |
| Land                                        | \$ 516,027                        | \$ 40,183         | \$ (4,446)          | \$ 551,764                        |
| Artwork                                     | 49,953                            | 46                | -                   | 49,999                            |
| Construction in progress                    | 541,801                           | 268,574           | (282,901)           | 527,474                           |
| Total capital assets, not being depreciated | <u>1,107,781</u>                  | <u>308,803</u>    | <u>(287,347)</u>    | <u>1,129,237</u>                  |
| Capital assets, being depreciated:          |                                   |                   |                     |                                   |
| Buildings                                   | 1,466,130                         | 84,919            | -                   | 1,551,049                         |
| Improvements other than buildings           | 753,580                           | 20,493            | -                   | 774,073                           |
| Equipment                                   | 787,271                           | 77,382            | (13,417)            | 851,236                           |
| Infrastructure assets                       | 2,946,741                         | 190,764           | -                   | 3,137,505                         |
| Total capital assets, being depreciated:    | <u>5,953,722</u>                  | <u>373,558</u>    | <u>(13,417)</u>     | <u>6,313,863</u>                  |
| Less accumulated depreciation for:          |                                   |                   |                     |                                   |
| Buildings                                   | (637,979)                         | (30,933)          | -                   | (668,912)                         |
| Improvements other than buildings           | (272,416)                         | (18,273)          | -                   | (290,689)                         |
| Equipment                                   | (577,898)                         | (39,719)          | 13,059              | (604,558)                         |
| Infrastructure assets                       | (1,120,538)                       | (55,812)          | -                   | (1,176,350)                       |
| Total accumulated depreciation              | <u>(2,608,831)</u>                | <u>(144,737)</u>  | <u>13,059</u>       | <u>(2,740,509)</u>                |
| Total capital assets being depreciated, net | <u>3,344,891</u>                  | <u>228,821</u>    | <u>(358)</u>        | <u>3,573,354</u>                  |
| Governmental activities capital assets, net | <u>\$ 4,452,672</u>               | <u>\$ 537,624</u> | <u>\$ (287,705)</u> | <u>\$ 4,702,591</u>               |

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 8. Capital Assets (continued)

Depreciation expense charged to functions:

|                                                      |    |                |
|------------------------------------------------------|----|----------------|
| General government                                   | \$ | 16,737         |
| Public safety                                        |    | 13,541         |
| Code enforcement                                     |    | 311            |
| Environment and health services                      |    | 286            |
| Streets, public works, and transportation            |    | 69,665         |
| Equipment and building services                      |    | 17,765         |
| Culture and recreation                               |    | 25,932         |
| Housing                                              |    | 500            |
| Total depreciation expense - governmental activities | \$ | <u>144,737</u> |

(includes \$4,395 of depreciation expense for the Internal Service Funds)

|                                              | Balance,<br>September 30,<br>2020 | Additions         | Deletions           | Balance,<br>September 30,<br>2021 |
|----------------------------------------------|-----------------------------------|-------------------|---------------------|-----------------------------------|
| <b>Business-Type Activities:</b>             |                                   |                   |                     |                                   |
| Capital assets, not being depreciated:       |                                   |                   |                     |                                   |
| Land                                         | \$ 344,243                        | \$ 1,021          | \$ -                | \$ 345,264                        |
| Artwork                                      | 5,574                             | -                 | -                   | 5,574                             |
| Construction in progress                     | 1,180,155                         | 283,594           | (244,410)           | 1,219,339                         |
| Total capital assets, not being depreciated  | <u>1,529,972</u>                  | <u>284,615</u>    | <u>(244,410)</u>    | <u>1,570,177</u>                  |
| Capital assets, being depreciated:           |                                   |                   |                     |                                   |
| Water rights                                 | 353,910                           | -                 | -                   | 353,910                           |
| Buildings                                    | 2,023,310                         | 4,536             | -                   | 2,027,846                         |
| Improvements other than buildings            | 621,878                           | 127               | -                   | 622,005                           |
| Equipment                                    | 882,154                           | 34,632            | (2,123)             | 914,663                           |
| Infrastructure assets                        | 605,077                           | 11                | -                   | 605,088                           |
| Utility property                             | 4,533,289                         | 229,831           | (443)               | 4,762,677                         |
| Total capital assets, being depreciated:     | <u>9,019,618</u>                  | <u>269,137</u>    | <u>(2,566)</u>      | <u>9,286,189</u>                  |
| Less accumulated depreciation for:           |                                   |                   |                     |                                   |
| Water rights                                 | (131,072)                         | (3,537)           | -                   | (134,609)                         |
| Buildings                                    | (781,636)                         | (43,761)          | -                   | (825,397)                         |
| Improvements other than buildings            | (203,252)                         | (22,534)          | -                   | (225,786)                         |
| Equipment                                    | (572,038)                         | (36,014)          | 2,123               | (605,929)                         |
| Infrastructure assets                        | (286,891)                         | (10,517)          | -                   | (297,408)                         |
| Utility property                             | (1,387,920)                       | (92,702)          | 408                 | (1,480,214)                       |
| Total accumulated depreciation               | <u>(3,362,809)</u>                | <u>(209,065)</u>  | <u>2,531</u>        | <u>(3,569,343)</u>                |
| Total capital assets being depreciated, net  | <u>5,656,809</u>                  | <u>60,072</u>     | <u>(35)</u>         | <u>5,716,846</u>                  |
| Business-Type Activities capital assets, net | <u>\$ 7,186,781</u>               | <u>\$ 344,687</u> | <u>\$ (244,445)</u> | <u>\$ 7,287,023</u>               |

Depreciation expense charged to business-type activities:

|                                                       |    |                |
|-------------------------------------------------------|----|----------------|
| Dallas Water Utilities                                | \$ | 138,891        |
| Convention Center                                     |    | 17,984         |
| Airport Revenues                                      |    | 42,294         |
| Sanitation                                            |    | 9,680          |
| Nonmajor Enterprise Funds                             |    | 216            |
| Total depreciation expense - business-type activities | \$ | <u>209,065</u> |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 9. Interfund Receivables, Payables, and Transfers

Due to Other Funds/From Other Funds

A portion of the interfund payable due from nonmajor governmental funds to the General Fund was a result of a bank overdraft from other fund's share of pooled cash.

Amounts due from and due to other funds at September 30, 2021 were as follows:

| <u>Due From Other Funds</u> | <u>Amount</u>   | <u>Due to Other Funds</u> |                              |
|-----------------------------|-----------------|---------------------------|------------------------------|
|                             |                 | <u>General</u>            | <u>Nonmajor Governmental</u> |
| General                     | \$ 6,124        | \$ -                      | \$ 6,124                     |
| Dallas Water Utilities      | 268             | 268                       | -                            |
| <b>Total</b>                | <b>\$ 6,392</b> | <b>\$ 268</b>             | <b>\$ 6,124</b>              |

Interfund Notes Receivable and Payable

Interfund notes receivable and payable balances at September 30, 2021 were as follows:

| <u>Note receivable</u> | <u>Note Payable</u>          |
|------------------------|------------------------------|
|                        | <u>Nonmajor Governmental</u> |
| Nonmajor governmental  | \$ 4,161                     |
| Dallas Water Utilities | 5,495                        |
| <b>Total</b>           | <b>\$ 9,656</b>              |

These balances relate to long-term borrowings to finance various capital acquisitions and equipment purchases.

Transfers In/Out

Transfers made between funds during the fiscal year are listed below:

| <u>Transfers Out</u>   | <u>Amount Transferred</u> | <u>Transfers In</u> |                     |                              |                   |                         |
|------------------------|---------------------------|---------------------|---------------------|------------------------------|-------------------|-------------------------|
|                        |                           | <u>General</u>      | <u>Debt Service</u> | <u>Nonmajor Governmental</u> | <u>Sanitation</u> | <u>Internal Service</u> |
| General                | \$ 24,418                 | \$ -                | \$ 48               | \$ 24,370                    | \$ -              | \$ -                    |
| Nonmajor Governmental  | 8,263                     | -                   | 2,252               | 3,302                        | 2,709             | -                       |
| Dallas Water Utilities | 24,333                    | 16,583              | -                   | 7,750                        | -                 | -                       |
| Convention Center      | 4,899                     | -                   | -                   | 4,899                        | -                 | -                       |
| Airport Revenues       | 229                       | -                   | 229                 | -                            | -                 | -                       |
| Sanitation             | 8,230                     | 4,444               | 350                 | 3,436                        | -                 | -                       |
| Nonmajor Enterprise    | 139                       | -                   | 139                 | -                            | -                 | -                       |
| Internal Service       | 13,423                    | 10,063              | 2,749               | 39                           | -                 | 572                     |
| <b>Total</b>           | <b>\$ 83,934</b>          | <b>\$ 31,090</b>    | <b>\$ 5,767</b>     | <b>\$ 43,796</b>             | <b>\$ 2,709</b>   | <b>\$ 572</b>           |

These transfers were primarily for support of operation and maintenance, construction projects, asset purchases, and to service the debt associated with the respective funds. Transfers were also made from the Dallas Water Utilities fund for payments-in-lieu-of-taxes (PILOT), which are recorded as transfers rather than operation and maintenance expenses due to the nonreciprocal nature of the transactions. Under the terms of the bond ordinance, PILOT and other similar payments are not considered operation and maintenance of the Dallas Water Utilities Fund; therefore, they are not included in the debt coverage calculation.

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September 30, 2021

Note 10. Accounts Payable and Accrued Expenses

The primary government's accounts payable and accrued expenses at September 30, 2021 are as follows:

|                               | General          | Debt<br>Service | Nonmajor<br>Governmental | Internal<br>Service | Total<br>Governmental<br>Activities |
|-------------------------------|------------------|-----------------|--------------------------|---------------------|-------------------------------------|
| Accrued payroll               | \$ 11,916        | \$ -            | \$ 1,000                 | \$ 1,454            | \$ 14,370                           |
| Accounts payable              | 53,387           | -               | 16,418                   | 11,768              | 81,573                              |
| Due to other governments      | 3,772            | 1,098           | 1                        | -                   | 4,871                               |
| Contracts payable             | -                | -               | 38,079                   | -                   | 38,079                              |
| Other liabilities             | 26,649           | -               | 978                      | 3,159               | 30,786                              |
| Construction accounts payable | -                | -               | 21,154                   | -                   | 21,154                              |
| Total                         | <u>\$ 95,724</u> | <u>\$ 1,098</u> | <u>\$ 77,630</u>         | <u>\$ 16,381</u>    | <u>\$ 190,833</u>                   |

|                               | Dallas Water<br>Utilities | Convention<br>Center | Airport<br>Revenues | Sanitation      | Nonmajor        | Total<br>Business-type<br>Activities |
|-------------------------------|---------------------------|----------------------|---------------------|-----------------|-----------------|--------------------------------------|
| Accrued payroll               | \$ 2,592                  | \$ 245               | \$ 553              | \$ 1,005        | \$ 642          | \$ 5,037                             |
| Accounts payable              | 11,088                    | 7,363                | 16,094              | 4,807           | 474             | 39,826                               |
| Due to other governments      | 1                         | 3                    | 199                 | 628             | -               | 831                                  |
| Other liabilities             | -                         | -                    | -                   | -               | 2,970           | 2,970                                |
| Construction accounts payable | 55,188                    | 2,512                | 17,301              | -               | -               | 75,001                               |
| Total                         | <u>\$ 68,869</u>          | <u>\$ 10,123</u>     | <u>\$ 34,147</u>    | <u>\$ 6,440</u> | <u>\$ 4,086</u> | <u>\$ 123,665</u>                    |

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt

A. Governmental Activities

The changes in the governmental activities long-term liabilities for the year ended September 30, 2021 are as follows:

|                                                   | Balance,<br>September 30,<br>2020 | Additions           | Deletions           | Balance,<br>September 30,<br>2021 | Due Within<br>One Year |
|---------------------------------------------------|-----------------------------------|---------------------|---------------------|-----------------------------------|------------------------|
| <b>General Obligation Bonds</b>                   |                                   |                     |                     |                                   |                        |
| Building America Bonds Series 2010B               | \$ 73,285                         | \$ -                | \$ 6,320            | \$ 66,965                         | \$ 6,510               |
| Refunding Bonds Series 2010C                      | 43,149                            | -                   | 43,149              | -                                 | -                      |
| Refunding Bonds Series 2012                       | 133,310                           | -                   | 20,830              | 112,480                           | 20,875                 |
| Refunding Bonds Series 2013A                      | 122,815                           | -                   | 10,235              | 112,580                           | 10,235                 |
| Refunding Bonds Series 2014                       | 441,965                           | -                   | 44,890              | 397,075                           | 45,565                 |
| Refunding Bonds Series 2015                       | 151,715                           | -                   | 10,840              | 140,875                           | 10,840                 |
| Refunding Bonds Series 2017                       | 263,900                           | -                   | 17,100              | 246,800                           | 17,095                 |
| Refunding Bonds Series 2018                       | 56,720                            | -                   | 2,095               | 54,625                            | 2,205                  |
| Refunding Bonds Series 2019A                      | 223,815                           | -                   | 11,780              | 212,035                           | 11,780                 |
| Refunding Bonds Series 2019B                      | 146,250                           | -                   | 7,700               | 138,550                           | 7,700                  |
| Refunding Bonds Series 2020A                      | -                                 | 204,626             | 19,051              | 185,575                           | 23,551                 |
| <b>Tax and Revenue Certificates</b>               |                                   |                     |                     |                                   |                        |
| Series 2012                                       | 5,200                             | -                   | 2,535               | 2,665                             | 2,665                  |
| Series 2020                                       | 16,000                            | -                   | 1,600               | 14,400                            | 1,600                  |
| <b>Certificates of Obligation</b>                 |                                   |                     |                     |                                   |                        |
| Equipment Acquisition Series 2020                 | 29,665                            | -                   | 5,935               | 23,730                            | 5,935                  |
| Equipment Acquisition Series 2020B                | -                                 | 24,565              | -                   | 24,565                            | 4,915                  |
| <b>Pension Obligation Bonds</b>                   |                                   |                     |                     |                                   |                        |
| Taxable Series 2005A                              | 75,651                            | -                   | 19,745              | 55,906                            | 21,627                 |
| Series 2005B                                      | 31,067                            | -                   | -                   | 31,067                            | -                      |
| Taxable Refunding Bonds Series 2010               | 51,985                            | -                   | 51,985              | -                                 | -                      |
| Taxable Refunding Bonds Series 2020B              | -                                 | 52,736              | 1,405               | 51,331                            | 1,155                  |
| <b>Total Bonds, Obligations, and Certificates</b> | <b>1,866,492</b>                  | <b>281,927</b>      | <b>277,195</b>      | <b>1,871,224</b>                  | <b>194,253</b>         |
| Add: Unamortized Premium/Discount                 | 207,361                           | 26,255              | 35,041              | 198,575                           | -                      |
| Add: Accretion                                    | 111,609                           | 14,625              | 15,562              | 110,672                           | -                      |
| <b>Total Bonds, Obligations, and Certificates</b> | <b>2,185,462</b>                  | <b>322,807</b>      | <b>327,798</b>      | <b>2,180,471</b>                  | <b>194,253</b>         |
| <b>Direct borrowings and placements</b>           |                                   |                     |                     |                                   |                        |
| Commercial paper notes payable                    | 163,500                           | 159,676             | 163,500             | 159,676                           | -                      |
| Notes payable                                     | 25,484                            | -                   | 6,459               | 19,025                            | 2,896                  |
| Capital leases                                    | 98,185                            | 30,995              | 26,179              | 103,001                           | 20,905                 |
| <b>Total direct borrowings and placements</b>     | <b>287,169</b>                    | <b>190,671</b>      | <b>196,138</b>      | <b>281,702</b>                    | <b>23,801</b>          |
| <b>Other liabilities:</b>                         |                                   |                     |                     |                                   |                        |
| Compensated absences                              | 122,198                           | 55,636              | 59,808              | 118,026                           | 62,221                 |
| Other postemployment benefits                     | 423,411                           | 22,097              | 239,134             | 206,374                           | -                      |
| Pollution remediation                             | 3,286                             | 1,000               | 1,289               | 2,997                             | 2,742                  |
| Developer payable                                 | 135,146                           | 60,895              | 55,949              | 140,092                           | 27,797                 |
| Estimated unpaid claims                           | 109,685                           | 142,091             | 143,395             | 108,381                           | 20,981                 |
| Net pension liability                             | 4,017,001                         | 1,354,978           | 510,830             | 4,861,149                         | -                      |
| <b>Total other liabilities</b>                    | <b>4,810,727</b>                  | <b>1,636,697</b>    | <b>1,010,405</b>    | <b>5,437,019</b>                  | <b>113,741</b>         |
| <b>Total governmental long-term liabilities</b>   | <b>\$ 7,283,358</b>               | <b>\$ 2,150,175</b> | <b>\$ 1,534,341</b> | <b>\$ 7,899,192</b>               | <b>\$ 331,795</b>      |

**CITY OF DALLAS, TEXAS**  
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September 30, 2021

Note 11. Long-Term Debt (continued)

The liability for commercial paper notes will be fully liquidated by the Debt Service Fund. The liabilities for the compensated absences, net pension liability, and other postemployment benefits will be liquidated by General Fund, Community Development Fund, Health and Human Services Fund, Library Fund, Police Fund, Recreation Fund, Management Improvement Fund, Storm Water Operations Fund, Municipal Fund, General Citizen Fund, Equipment Services Fund, Communication Equipment Services Fund, Office Services Fund, Information Systems Fund, the Risk Fund, and the Bond Program Administration Fund. The liability for the developer payable will be liquidated by the Neighborhood Projects Fund. The entire estimated unpaid claims liability of \$108 million is reported in the Risk Fund, and the claims will be liquidated by that fund. The liabilities for pollution remediation, notes payable, and capital leases will be liquidated by the General Fund.

B. Governmental General Obligation Bonds (GO Bonds), Certificates of Obligation and General Obligation Pension Obligation Bonds

In fiscal year 2021 and in prior years, the City issued GO Bonds, Certificates of Obligation, GO Pension Obligation Bonds, and Equipment Acquisition Contractual Obligations. These bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In November 2020, the City issued General Obligation Bonds, Series 2020, of \$162.5 million with a premium of \$20.5 million, stated interest rates ranging from 2% to 5%, and a final maturity of February 15, 2041. These bonds were issued for the purpose of refunding commercial paper notes in the amount of \$163.5 million and for financing capital construction projects.

In November 2020, the City issued Equipment Acquisition Contractual Obligations, Series 2020B, of \$24.6 million with a premium of \$3.6 million, a stated interest rate of 5%, and a final maturity of February 15, 2026. The certificates will be used for financing the purchase of City equipment.

In November 2020, the City issued General Obligation Refunding Bonds, Series 2020, of \$46.4 million, with a premium of \$2.1 million, a stated interest rate of 5%, and a final maturity of February 15, 2023. These bonds were issued to refund General Obligation Refunding Bonds, Series 2010C, in the amount of \$46.2 million. Proceeds of \$48.1 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$47.5 million are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$1.7 million. A portion of the refunding and the new bonds issued were recorded in the governmental activities of the City, and the remaining amounts were recorded in the Sanitation Enterprise Fund as shown in the table below:

|                                                 | Governmental<br>Activities | Sanitation<br>Fund | Total  |
|-------------------------------------------------|----------------------------|--------------------|--------|
| General Obligation Refunding Bonds, Series 2020 | 42,171                     | 4,249              | 46,420 |
| Premium                                         | 1,938                      | 195                | 2,133  |
| Deposit with Escrow Agent                       | 43,717                     | 4,405              | 48,122 |
| Amount Defeased                                 | 43,149                     | 4,346              | 47,495 |
| Debt Service Payment Decrease                   | 516                        | 51                 | 567    |

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8% to 1.25%, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$75.8 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities and the Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds as shown below:

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

|                               | Governmental<br>Activities | Dallas<br>Water<br>Utilities | Convention<br>Center | Airport<br>Revenues | Sanitation | Nonmajor<br>Enterprise<br>Funds | Total     |
|-------------------------------|----------------------------|------------------------------|----------------------|---------------------|------------|---------------------------------|-----------|
| General Obligation            |                            |                              |                      |                     |            |                                 |           |
| Refunding Bonds, Series 2020C | \$ 52,736                  | \$ 14,446                    | \$ 1,031             | \$ 1,354            | \$ 4,723   | \$ 2,630                        | \$ 76,920 |
| Premium                       | 178                        | 49                           | 3                    | 5                   | 16         | 9                               | 260       |
| Deposit with Escrow Agent     | 52,614                     | 14,412                       | 1,028                | 1,351               | 4,712      | 2,625                           | 76,742    |
| Amount Defeased               | 51,986                     | 14,240                       | 1,016                | 1,335               | 4,656      | 2,593                           | 75,826    |
| Debt Service Payment Decrease | 628                        | 172                          | 12                   | 16                  | 57         | 31                              | 916       |

The General Obligation Bonds outstanding as of September 30, 2021 are as follows:

|             | Final | Interest Rates | Amount              |
|-------------|-------|----------------|---------------------|
| Series 628  | 2030  | 4.39% to 5.61% | \$ 66,965           |
| Series 637  | 2026  | 2.0% to 5.0%   | 112,480             |
| Series 638  | 2032  | 0.76% to 5.0%  | 112,580             |
| Series 1692 | 2034  | 4.0% to 5.0%   | 397,075             |
| Series 1700 | 2034  | 5.00%          | 140,875             |
| Series 1843 | 2037  | 3.0% to 5.0%   | 246,800             |
| Series W257 | 2038  | 3.0% to 5.0%   | 54,625              |
| Series 1886 | 2039  | 3.0% to 5.0%   | 212,035             |
| Series 1887 | 2039  | 3.0% to 5.0%   | 138,550             |
| Series 640  | 2041  | 2.0% to 5.0%   | 185,575             |
| Total       |       |                | <u>\$ 1,667,560</u> |

The Equipment Acquisition Contractual Obligations outstanding as of September 30, 2021 are as follows:

|            | Final | Interest Rates | Amount           |
|------------|-------|----------------|------------------|
| Series 643 | 2025  | 3.00% to 4.00% | \$ 23,730        |
| Series 649 | 2026  | 5.00%          | 24,565           |
| Total      |       |                | <u>\$ 48,295</u> |

The Certificates of Obligation outstanding as of September 30, 2021 are as follows:

|            | Final | Interest Rates | Amount           |
|------------|-------|----------------|------------------|
| Series 635 | 2022  | 2.00% to 5.00% | \$ 2,665         |
| Series 644 | 2030  | 2.00% to 5.00% | 14,400           |
| Total      |       |                | <u>\$ 17,065</u> |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

The Pension Obligation Bonds outstanding as of September 30, 2021 are as follows:

|            | Final | Interest Rates  | Amount            |
|------------|-------|-----------------|-------------------|
| Series 600 | 2035  | 3.24% to 5.19%  | \$ 55,906         |
| Series 601 | 2035  | 4.10% to 5.48%  | 31,067            |
| Series 647 | 2024  | 0.295% to 1.25% | 51,331            |
| Total      |       |                 | <u>\$ 138,304</u> |

C. Long-Term Notes Payable (Direct Borrowings)

HUD Section 108 Loans

In previous fiscal years, the City borrowed money from the United States Department of Housing and Urban Development (HUD) and loaned it to developers. The developers in turn construct and improve real property in the City. The City has pledged only certain grant revenues and certain program income as well as all funds or investments in the accounts established for these loans as collateral for repayment. Events of default with respect to the Section 108 loans include nonpayment events and noncompliance with covenants. In the event of default, HUD may accelerate the due date of the principal amount outstanding for the note, together with accrued and unpaid interest.

State Energy Conservation Office (SECO) Loans

In fiscal year 2021 and previous fiscal years, the City borrowed money from the Texas State Energy Conservation Office for the purpose of making utility efficiency improvements to various buildings owned by the City and for building improvements. Events of default with respect to these loans include nonpayment events and noncompliance with covenants. In the event of default, all principal and unearned interest on the loans shall become immediately due.

The total outstanding notes payable as of September 30, 2021 are as follows:

|                                        | Final    |               | Interest | Amount           |
|----------------------------------------|----------|---------------|----------|------------------|
|                                        | Maturity | Payments Due  | Rates    |                  |
| State Energy Conservation Office CL245 | 2022     | Quarterly     | 2.50%    | \$ 539           |
| State Energy Conservation Office CL247 | 2026     | Quarterly     | 2.50%    | 1,183            |
| State Energy Conservation Office CL272 | 2026     | Quarterly     | 2.00%    | 4,480            |
| State Energy Conservation Office CL273 | 2027     | Quarterly     | 2.00%    | 3,843            |
| Section 108 B-12-MC-48-0009            | 2027     | Semi-Annually | 2.75%    | 8,980            |
| Total                                  |          |               |          | <u>\$ 19,025</u> |

D. General Obligation Commercial Paper Notes (Direct Borrowing)

The commercial paper notes Series A and Series B are supported by a credit agreement with JPMorgan Chase Bank, N.A., and extends through November 28, 2022. The Series A and Series B notes have an aggregate available amount not to exceed approximately \$375.9 million, which includes \$350 million of principal together with approximately \$25.9 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate not to exceed 10 percent per annum. The two commercial paper programs constitute an obligation subordinate to the City's general obligation bonds. Any advances for payments of commercial paper under the line of credit are secured by proceeds of the applicable portion of the tax levy as set forth in the Credit Agreements. During fiscal year 2021, \$160 million was issued, and \$164 million was refunded. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. The City's unused line of credit on the notes was \$190.3 million at September 30, 2021.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

These notes are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City. Events of default include nonpayment of fees, breach of covenants, unsatisfied judgements over \$20 million, acceleration of other debt in an amount greater than \$25 million, bond ratings downgraded below Baa1/BBB+/BBB+ and nonpayment of note principal. In the event of default, the lender may utilize multiple remedies, including default rates on unpaid principal and interest, discontinuation of advances on the notes, and/or immediate termination of the agreement. The lender may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes. Additionally, amounts drawn as advances or term loans are subject to acceleration in an uncured event of default, with such acceleration to take place at the earlier of (1) date on which legally expendable funds are appropriated and available or (2) February 1 of the calendar year following the next year the City levies ad valorem taxes.

E. Governmental Capital Leases (Direct Borrowings)

Equipment Master Lease

During a prior fiscal year, the City entered into a Master Lease Agreement (the Agreement) with a bank (the Lessor). Each fiscal year since 2017, the City has entered into separate repayment schedules under the Agreement for the lease-purchase of vehicles and other equipment, and each has a maximum allowable amount equal to the principal due on that schedule. Vehicles and equipment purchased through Agreement are pledged as security for repayment of the lease liability. Events of default under the Master Lease Agreement include nonpayment events and covenant noncompliance. In the event of default, the Lessor may declare the entire amount of payments to the end of the term immediately past due and payable, initiate court action against the City to enforce performance per the Agreement, take possession of the vehicles and equipment, and/or terminate the Agreement.

Garage Lease

During a prior fiscal year, the City entered into a capital lease for a parking garage near the Dallas Police Department headquarters. The leased property serves as collateral for non-payment. Events of default under the lease agreement include nonpayment events and covenant noncompliance. In the event of default, the Lessor has the right to terminate the lease and/or recover all damages associated with the default.

For more information on capital leases, please refer to Note 12.

F. Governmental Debt Service Requirements

The future debt service principal and interest payment requirements for the City's General Obligation Bonds, Tax and Revenue Certificates, and Pension Obligation Bonds at September 30, 2021 are as follows:

| <u>Fiscal Year</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|--------------------|---------------------|-------------------|---------------------|
| 2022               | \$ 194,253          | \$ 78,124         | \$ 272,377          |
| 2023               | 194,587             | 68,957            | 263,544             |
| 2024               | 188,448             | 60,476            | 248,924             |
| 2025               | 160,248             | 75,935            | 236,183             |
| 2026               | 145,327             | 69,574            | 214,901             |
| 2027-2031          | 520,571             | 280,015           | 800,586             |
| 2032-2036          | 345,946             | 174,325           | 520,271             |
| 2037-2041          | 121,844             | 5,552             | 127,396             |
| Total              | <u>\$ 1,871,224</u> | <u>\$ 812,958</u> | <u>\$ 2,684,182</u> |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

The future principal and interest payment requirements for the City's long-term notes payable, all of which are direct borrowings, at September 30, 2021 are as follows:

| Fiscal Year | Principal | Interest | Total     |
|-------------|-----------|----------|-----------|
| 2022        | 2,596     | 461      | 3,057     |
| 2023        | 2,410     | 401      | 2,811     |
| 2024        | 2,464     | 349      | 2,813     |
| 2025        | 2,519     | 295      | 2,814     |
| 2026        | 2,413     | 238      | 2,651     |
| 2027-2030   | 6,623     | 188      | 6,811     |
| Total       | \$ 19,025 | \$ 1,932 | \$ 20,957 |

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

G. Business-Type Activities

The changes in the business-type activities long-term liabilities for the year ended September 30, 2021 are as follows:

|                                                        | Balance,<br>September 30,<br>2020 | Additions | Deletions | Balance,<br>September 30,<br>2021 | Due Within<br>One Year |
|--------------------------------------------------------|-----------------------------------|-----------|-----------|-----------------------------------|------------------------|
| <u>Dallas Water Utilities</u>                          |                                   |           |           |                                   |                        |
| <u>City of Dallas Waterworks and Sewer System</u>      |                                   |           |           |                                   |                        |
| Revenue Refunding and Improvement Bonds                |                                   |           |           |                                   |                        |
| Series 2010                                            | \$ 8,525                          | \$ -      | \$ 8,525  | \$ -                              | \$ -                   |
| Series 2011                                            | 34,625                            | -         | 13,820    | 20,805                            | 14,345                 |
| Series 2012                                            | 160,825                           | -         | 19,495    | 141,330                           | 18,650                 |
| Series 2013                                            | 31,760                            | -         | 3,310     | 28,450                            | 3,480                  |
| Series 2015                                            | 575,600                           | -         | 45,460    | 530,140                           | 49,760                 |
| Series 2016                                            | 455,055                           | -         | 4,860     | 450,195                           | 11,730                 |
| Series 2017                                            | 165,820                           | -         | 3,080     | 162,740                           | 3,240                  |
| Series 2018C                                           | 150,385                           | -         | 2,710     | 147,675                           | 2,850                  |
| Series 2020C                                           | 281,825                           | -         | 5,615     | 276,210                           | 5,255                  |
| Series 2020D                                           | 363,665                           | -         | 2,340     | 361,325                           | 9,985                  |
| Series 2021C                                           | -                                 | 126,130   | -         | 126,130                           | -                      |
| <u>City of Dallas Waterworks and Sewer System</u>      |                                   |           |           |                                   |                        |
| Revenue Refunding and Improvement Bonds                |                                   |           |           |                                   |                        |
| (Direct Placements)                                    |                                   |           |           |                                   |                        |
| Series 2009B                                           | 500                               | -         | 500       | -                                 | -                      |
| Series 2009C                                           | 5,380                             | -         | 5,380     | -                                 | -                      |
| Series 2018A                                           | 21,325                            | -         | 675       | 20,650                            | 680                    |
| Series 2018B                                           | 42,705                            | -         | 1,300     | 41,405                            | 1,305                  |
| Series 2019A                                           | 22,000                            | -         | 720       | 21,280                            | 720                    |
| Series 2019B                                           | 44,000                            | -         | 1,385     | 42,615                            | 1,390                  |
| Series 2020A                                           | 22,000                            | -         | -         | 22,000                            | 755                    |
| Series 2020B                                           | 44,000                            | -         | -         | 44,000                            | 1,490                  |
| Series 2021A                                           | -                                 | 22,000    | -         | 22,000                            | -                      |
| Series 2021B                                           | -                                 | 44,000    | -         | 44,000                            | -                      |
| Total Revenue Bonds Payable                            | 2,429,995                         | 192,130   | 119,175   | 2,502,950                         | 125,635                |
| Add: Unamortized Premium                               | 206,799                           | 19,909    | 20,098    | 206,610                           | -                      |
| Total Revenue Bonds of Water Utilities                 | 2,636,794                         | 212,039   | 139,273   | 2,709,560                         | 125,635                |
| Pension Obligation Bonds                               | 43,478                            | 14,446    | 20,033    | 37,891                            | 6,241                  |
| Add: Net premium/discount                              | 18,872                            | 49        | 695       | 18,226                            | -                      |
| Add: Accretion                                         | 30,573                            | 4,006     | 4,263     | 30,316                            | -                      |
| Total Water Utilities Bonds                            | 2,729,717                         | 230,540   | 164,264   | 2,795,993                         | 131,876                |
| Direct borrowings                                      |                                   |           |           |                                   |                        |
| Commercial paper notes payable                         | 52,900                            | 219,900   | 272,800   | -                                 | -                      |
| Water transmission facilities financing agreement      | 414,757                           | 538,420   | 277,686   | 675,491                           | 20,521                 |
| Total direct borrowings                                | 467,657                           | 758,320   | 550,486   | 675,491                           | 20,521                 |
| Other liabilities:                                     |                                   |           |           |                                   |                        |
| Compensated absences payable                           | 11,013                            | 4,589     | 5,094     | 10,508                            | 5,432                  |
| Other postemployment benefits                          | 60,983                            | 2,684     | 29,053    | 34,614                            | -                      |
| Net pension liability                                  | 389,659                           | 169,370   | 78,270    | 480,759                           | -                      |
| Total other liabilities                                | 461,655                           | 176,643   | 112,417   | 525,881                           | 5,432                  |
| Total long-term liabilities for Dallas Water Utilities | 3,659,029                         | 1,165,503 | 827,167   | 3,997,365                         | 157,829                |
| <u>Convention Center</u>                               |                                   |           |           |                                   |                        |
| <u>Civic Center Refunding and Improvement</u>          |                                   |           |           |                                   |                        |
| Revenue Bonds, Series 2009                             | 270,380                           | -         | 9,550     | 260,830                           | 10,030                 |
| Add: Net premium/discount                              | (2,650)                           | -         | (5)       | (2,655)                           | -                      |
| Total Convention Center Revenue Bonds                  | 267,730                           | -         | 9,545     | 258,175                           | 10,030                 |
| Pension Obligation Bonds                               | 3,090                             | 1,031     | 1,429     | 2,692                             | 445                    |
| Add: Net premium/discount                              | 1,347                             | 3         | 50        | 1,300                             | -                      |
| Add: Accretion                                         | 2,183                             | 285       | 305       | 2,163                             | -                      |
| Total Convention Center Bonds                          | 274,350                           | 1,319     | 11,329    | 264,330                           | 10,475                 |
| Other liabilities:                                     |                                   |           |           |                                   |                        |
| Compensated absences                                   | 373                               | 34        | 77        | 330                               | 171                    |
| Pollution remediation                                  | 63                                | -         | -         | 63                                | 63                     |
| Other postemployment benefits                          | 4,568                             | 49        | 527       | 4,090                             | -                      |
| Net pension liability                                  | 26,182                            | 3,544     | 1,638     | 28,088                            | -                      |
| Total Other Liabilities                                | 31,186                            | 3,627     | 2,242     | 32,571                            | 234                    |
| Total long-term liabilities for Convention Center      | \$ 305,536                        | \$ 4,946  | \$ 13,571 | \$ 296,901                        | \$ 10,709              |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

|                                                                    | Balance,<br>September 30,<br>2020 | Additions           | Deletions           | Balance,<br>September 30,<br>2021 | Due Within<br>One Year |
|--------------------------------------------------------------------|-----------------------------------|---------------------|---------------------|-----------------------------------|------------------------|
| <b>Airport Revenues</b>                                            |                                   |                     |                     |                                   |                        |
| General Airport Revenue Bonds 2015                                 | \$ 101,275                        | \$ -                | \$ 4,280            | \$ 96,995                         | \$ 4,495               |
| General Airport Revenue Bonds 2017                                 | 112,695                           | -                   | 4,360               | 108,335                           | 4,580                  |
| General Airport Revenue Bonds 2021                                 | -                                 | 255,160             | -                   | 255,160                           | -                      |
| Add: Net Premium/Discount                                          | 16,170                            | 56,902              | 2,624               | 70,448                            | -                      |
| Total Airport Revenue Bonds                                        | <u>230,140</u>                    | <u>312,062</u>      | <u>11,264</u>       | <u>530,938</u>                    | <u>9,075</u>           |
| Pension Obligation Bonds                                           | 4,073                             | 1,354               | 1,878               | 3,549                             | 585                    |
| Add: Net Premium/Discount                                          | 1,768                             | 5                   | 65                  | 1,708                             | -                      |
| Add: Accretion                                                     | 2,865                             | 375                 | 399                 | 2,841                             | -                      |
| Total Airport Bonds                                                | <u>238,846</u>                    | <u>313,796</u>      | <u>13,606</u>       | <u>539,036</u>                    | <u>9,660</u>           |
| <b>Direct borrowings</b>                                           |                                   |                     |                     |                                   |                        |
| Commercial paper notes payable                                     | -                                 | 2,280               | -                   | 2,280                             | -                      |
| Capital leases payable                                             | 69,386                            | -                   | 1,296               | 68,090                            | 1,372                  |
| Obligation for revenue credit agreement                            | 407,460                           | -                   | 318,840             | 88,620                            | 9,280                  |
| Revenue credit agreement                                           |                                   |                     |                     |                                   |                        |
| Net premium/discount                                               | (5,038)                           | 7,525               | 463                 | 2,024                             | -                      |
| Total direct borrowing                                             | <u>471,808</u>                    | <u>9,805</u>        | <u>320,599</u>      | <u>161,014</u>                    | <u>10,652</u>          |
| <b>Other Liabilities:</b>                                          |                                   |                     |                     |                                   |                        |
| Compensated absences                                               | 1,980                             | 903                 | 970                 | 1,913                             | 989                    |
| Pollution remediation                                              | 511                               | 86                  | 186                 | 411                               | 28                     |
| Other postemployment benefits                                      | 10,229                            | 580                 | 6,273               | 4,536                             | -                      |
| Net pension liability                                              | 55,041                            | 33,529              | 15,494              | 73,076                            | -                      |
| Total other liabilities                                            | <u>67,761</u>                     | <u>35,098</u>       | <u>22,923</u>       | <u>79,936</u>                     | <u>1,017</u>           |
| Total long-term liabilities for Airport Revenues                   | <u>778,415</u>                    | <u>358,699</u>      | <u>357,128</u>      | <u>779,986</u>                    | <u>21,329</u>          |
| <b>Sanitation</b>                                                  |                                   |                     |                     |                                   |                        |
| 2010C GO Refunding General Obligation Bonds                        | 4,346                             | -                   | 4,346               | -                                 | -                      |
| 2020A GO Refunding General Obligation Bonds                        | -                                 | 4,249               | 1,919               | 2,330                             | 1,554                  |
| Add: Net premium/discount                                          | 110                               | 195                 | 195                 | 110                               | -                      |
| Total Sanitation General Obligation Bonds                          | <u>4,456</u>                      | <u>4,444</u>        | <u>6,460</u>        | <u>2,440</u>                      | <u>1,554</u>           |
| Pension Obligation Bonds                                           | 14,214                            | 4,723               | 6,550               | 12,387                            | 2,040                  |
| Add: Net premium/discount                                          | 6,169                             | 16                  | 228                 | 5,957                             | -                      |
| Add: Accretion                                                     | 9,995                             | 1,310               | 1,394               | 9,911                             | -                      |
| Total Sanitation Bonds                                             | <u>34,834</u>                     | <u>10,493</u>       | <u>14,632</u>       | <u>30,695</u>                     | <u>3,594</u>           |
| <b>Direct borrowing</b>                                            |                                   |                     |                     |                                   |                        |
| Capital leases                                                     | 16,529                            | 4,534               | 6,708               | 14,355                            | 6,099                  |
| <b>Other liabilities:</b>                                          |                                   |                     |                     |                                   |                        |
| Compensated absences                                               | 2,728                             | 1,147               | 1,264               | 2,611                             | 1,350                  |
| Landfill closure/postclosure                                       | 45,216                            | 1,696               | 186                 | 46,726                            | 294                    |
| Pollution remediation                                              | 971                               | 274                 | 1,223               | 22                                | 22                     |
| Other postemployment benefits                                      | 20,664                            | 968                 | 10,485              | 11,147                            | -                      |
| Net pension liability                                              | 124,747                           | 61,429              | 28,389              | 157,787                           | -                      |
| Total other liabilities                                            | <u>194,326</u>                    | <u>65,514</u>       | <u>41,547</u>       | <u>218,293</u>                    | <u>1,666</u>           |
| Total long-term liabilities for Sanitation                         | <u>245,689</u>                    | <u>80,541</u>       | <u>62,887</u>       | <u>263,343</u>                    | <u>11,359</u>          |
| <b>Non-Major Business-Type</b>                                     |                                   |                     |                     |                                   |                        |
| Pension Obligation Bonds                                           | 7,923                             | 2,630               | 3,648               | 6,905                             | 1,136                  |
| Add: Net premium/discount                                          | 3,436                             | 9                   | 126                 | 3,319                             | -                      |
| Add: Accretion                                                     | 5,567                             | 729                 | 775                 | 5,521                             | -                      |
| Total Non-Major Business-Type Bonds                                | <u>16,926</u>                     | <u>3,368</u>        | <u>4,549</u>        | <u>15,745</u>                     | <u>1,136</u>           |
| <b>Other liabilities:</b>                                          |                                   |                     |                     |                                   |                        |
| Compensated absences                                               | 2,561                             | 1,067               | 1,209               | 2,419                             | 1,250                  |
| Other postemployment benefits                                      | 11,134                            | 584                 | 6,319               | 5,399                             | -                      |
| Net pension liability                                              | 80,641                            | 39,759              | 18,374              | 102,026                           | -                      |
| Total other liabilities                                            | <u>94,336</u>                     | <u>41,410</u>       | <u>25,902</u>       | <u>109,844</u>                    | <u>1,250</u>           |
| Total long-term liabilities for Non-Major Business-type Activities | <u>111,262</u>                    | <u>44,778</u>       | <u>30,451</u>       | <u>125,589</u>                    | <u>2,386</u>           |
| Total Business-Type Activities - Long-Term Liabilities             | <u>\$ 5,099,931</u>               | <u>\$ 1,654,467</u> | <u>\$ 1,291,204</u> | <u>\$ 5,463,184</u>               | <u>\$ 203,612</u>      |



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

H. Water Works and Sewer System Revenue Bonds and Pension Obligation Bonds

In prior fiscal years, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds to fund capital construction projects. These bonds are special obligations of the City, payable solely from and secured by a first lien on and pledge of the pledged revenues of the system, which include the net revenues of the system remaining after deduction of current expenses of operation and maintenance. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

I. Water Works and Sewer System Revenue Bonds

In September 2021, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2021C of \$126.1 million with a premium of \$19.9 million and interest rates ranging from 3.0 percent to 5.0 percent. Final maturity will occur on October 1, 2050. The bonds were issued to refund outstanding commercial paper used by Dallas Water Utilities to fund capital construction projects.

J. Water Works and Sewer System Revenue Bonds and Pension Obligation Bonds (Direct Placements)

In fiscal year 2021, and prior years Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds to fund capital construction projects. These were direct placements facilitated by the Texas Water Development Board. These bonds are special obligations of the City, payable solely from and secured by a first lien on and pledge of the pledged revenues of the system, which include the net revenues of the system remaining after deduction of current expenses of operation and maintenance. Events of default include nonpayment events and covenant noncompliance. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8% to 1.25%, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$76.9 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities and the Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds as shown in the table in Note 11B.

In May 2021, Dallas Water Utilities issued Waterworks and Sewer System Revenue Bonds Series 2021A and Series 2021B of \$66 million and interest rates ranging from 0.01 percent to 0.08 percent. Final maturity will occur on October 1, 2050. The bonds were issued to fund capital construction projects.

K. Water Works and Sewer Debt Service Requirements

The Waterworks and Sewer System debt service fund provides for the payment of principal and interest on the water department outstanding revenue bonds. Operating revenues from water operations and interest earned on the cash balance in the debt service fund are pledged for repayment of the debt. Revenues are transferred from the Water Operating Fund to the debt service fund to meet annual principal and interest obligations. Pension Obligation bonds are paid through increased contributions to the debt service fund. The Water Works and Sewer System bonds outstanding as of September 30, 2021 are as follows:

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

| Series Description       | Final Maturity | Interest Rates  | Amount       |
|--------------------------|----------------|-----------------|--------------|
| 634 Rev Bonds            | 2023           | 3.00% - 5.00%   | 20,805       |
| 636 Rev Bonds            | 2033           | 0.595% - 5.000% | 141,330      |
| 639 Rev Bonds            | 2028           | 2.00% - 5.00%   | 28,450       |
| 9712 Rev Bonds           | 2045           | 1.00%-5.00%     | 530,140      |
| 1727 Rev Bonds           | 2046           | 3.00%-5.00%     | 450,195      |
| W208 Rev Bonds           | 2048           | 4.00%-5.00%     | 162,740      |
| W339 Rev Bonds           | 2048           | 4.00%-5.00%     | 147,675      |
| 637 Rev Bonds            | 2050           | 1.730%-5.000%   | 637,535      |
| W309 Rev Bonds           | 2048           | 0.02%-1.70%     | 62,055       |
| FS40 Rev Bonds           | 2051           | 0.02%-1.70%     | 130,615      |
| FW40 Rev Bonds           | 2051           | 0.03%-1.34%     | 65,280       |
| 2021C Rev Bonds          | 2051           | 3.00%-5.00%     | 126,130      |
| Total Revenue Bonds      |                |                 | 2,502,950    |
| Pension Obligation Bonds | 2035           | 0.8% - 5.48%    | 37,891       |
| Total Outstanding        |                |                 | \$ 2,540,841 |

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$2.5 billion in water and wastewater system revenue bonds, of which \$192 million was issued during the current fiscal year and the remaining balance in prior fiscal years. Proceeds from the bonds provided financing for capital assets. The bonds are payable solely from water customer net revenues and are payable through fiscal year 2050. Net revenues, as defined in the bond documents, for each year are expected to be at least equal to 1.25 times the principal and interest requirements of all outstanding previously issued bonds and additional bonds for the year. The total principal and interest remaining to be paid on the bonds at September 30, 2021 is \$3 billion. Principal and interest paid during fiscal year 2021 were \$119 million and \$82 million, respectively.

L. Convention Center (Revenue Bonds and Pension Obligation Bonds)

In previous fiscal years, the City issued Convention Center Revenue Bonds. The 7 percent Hotel Occupancy Tax, operating revenues of the Convention Center Complex, and interest earned on cash balances in the bond reserve and debt service funds are pledged for repayment of the debt. Events of default with respect to these include nonpayment events and noncompliance with covenants. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8% to 1.25%, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$76.9 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities and the Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds as shown in the table in Note 11B.

Pension Obligation Bonds are paid through increased contributions to the Debt Service Fund. Additionally, the City has covenanted to provide the payment of operating and maintenance expenses of the Convention Center Complex, should a shortfall in Convention Center revenues occur. Revenue from the Convention Center operating fund is transferred to the debt service fund to meet annual principal and interest payments.

The Convention Center bonds outstanding as of September 30, 2021 are as follows:

| Series Description              | Final Maturity | Interest Rates | Amount     |
|---------------------------------|----------------|----------------|------------|
| Civic Center Convention Complex | 2038           | 3.00% - 5.25%  | \$ 260,830 |
| Pension Obligation Bonds        | 2035           | 0.295% - 5.48% | 2,692      |
| Total Outstanding               |                |                | \$ 263,522 |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

M. Airport Revenues (General Airport Revenue Bonds and Pension Obligation Bonds)

In September 2021, the LFAMC issued General Airport Revenue Bonds, Series 2021 of \$225.2 million, with a premium of \$56.9 million and interest rates ranging from 4.0 percent to 5.0 percent. Final maturity will occur on November 1, 2040. The bonds were issued to refund the obligation for the Revenue Credit Agreement (Series 2010). Proceeds of \$317.7 million were deposited with an escrow agent to be used to pay the outstanding amount of the refunded bonds. The refunding resulted in a difference of \$7.1 million between the net carrying amount of the old debt and the reacquisition price. This difference, reported in the accompanying financial statement as a deferred outflow of resources, is being amortized to interest expense over the life of the old bonds. Total debt service payments decreased by \$114.2 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and new debt service payments) of \$113.3 million.

During December 2016, the Love Field Airport Modernization Corporation (LFAMC) issued \$116.85 million in General Airport Revenue Bonds, Series 2017 with a premium of \$13.6 million. The stated rate on the bonds is 5 percent with a final maturity on November 1, 2036. Proceeds from the sale of the Bonds were used to complete the design and construction costs of an approximately 5,000 space parking garage and related improvements to increase public parking capacity at Love Field Airport, fund approximately 22 months of capitalized interest, which is intended to cover the period commencing with the date of issuance of the Bonds through 12 months following substantial completion of construction of the project, fund a bond debt service reserve fund, and pay cost of issuance.

In a previous year, the Love Field Airport Modernization Corporation (LFAMC) issued \$109.2 million in General Airport Revenue Bonds, Series 2015 with a premium of \$13.6 million. The stated interest rate on the bonds is 5 percent with a final maturity on November 1, 2035. Proceeds from the sale of the Bonds were used to fund design and construction costs of an approximately 5,000 space parking garage and related improvements to increase public parking capacity at Love Field Airport, fund approximately 27 months of capitalized interest (which is intended to cover the period commencing with the date of issuance of the Bonds through 12 months following substantial completion of construction of the parking garage, fund a bond debt service reserve fund, and pay cost of issuance for the bonds.

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8 percent to 1.25 percent, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$75.8 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities, Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds as shown in the table in Note 11B.

Operating revenues from Airport operations and interest earned on the cash balance in the debt service fund are pledged for repayment of both issues of the General Airport Revenue Bonds. Revenues are transferred from the Airport Revenues operating fund to the Airport Revenues debt service fund to meet the annual principal and interest obligations. Events of default include nonpayment events and noncompliance with covenants. In the event of default, registered owners may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the bonds.

Pension Obligation bonds are paid through increased contributions to the Debt Service Fund. Operating revenues from Airport operations and interest earned on the cash balance in the debt service fund are pledged for repayment of the debt. Revenues are transferred from the Airport operating fund to the debt service fund to meet annual principal and interest obligations.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

Airport revenue and pension obligation bonds outstanding as of September 30, 2021 are as follows:

| <u>Series Description</u>          | <u>Final Maturity</u> | <u>Interest Rates</u> | <u>Amount</u>     |
|------------------------------------|-----------------------|-----------------------|-------------------|
| General Airport Revenue Bonds 2015 | 2036                  | 5.00%                 | \$ 96,995         |
| General Airport Revenue Bonds 2017 | 2036                  | 5.00%                 | 108,335           |
| General Airport Revenue Bonds 2021 | 2040                  | 5.00%                 | 255,160           |
| Pension Obligation Bonds           | 2035                  | 0.295% - 5.48%        | 3,549             |
| Total                              |                       |                       | <u>\$ 464,039</u> |

N. Airport Revenues Conduit Debt and Revenue Credit Agreement (Direct Borrowing)

The Love Field Airport Modernization Corporation (LFAMC), a Texas non-profit "local government corporation" and blended component unit of the City, issued \$310 million in Special Facilities Revenue Bonds during November 2010, and \$146.26 million in May 2012. The bonds were issued to finance the acquisition, construction, expansion, installation and equipping of certain capital improvements at Dallas Love Field Airport. Major construction commenced during fiscal year 2010 and was substantially completed during fiscal year 2015.

Prior to the issuance of the bonds, the City entered into two separate funding agreements with an airline carrier: (1) a "Facilities Agreement" pursuant to which the airline carrier is obligated to make debt service payments on the principal and interest amounts associated with the bonds (Facilities Payments), less other sources of funds the City may apply to the repayment of the bonds (including, but not limited to, passenger facility charges collected from passengers originating from Love Field Airport); and (2) a "Revenue Credit Agreement" pursuant to which the City will reimburse the airline carrier for the Facilities Payments made by the carrier.

In the event the airline carrier fails to make payments under the Facilities Agreement the City is no longer obligated to make any further payments under the Revenue Credit Agreement, and that agreement shall terminate.

A majority of the monies transferred from the City to the airline carrier under the Revenue Credit Agreement are expected to originate from a reimbursement account created in a "Use and Lease Agreement" between the City and the airline carrier. The Use and Lease Agreement is a 20-year agreement providing for, among other things, the lease of space at the Airport from the City. The remainder of such monies transferred from the City to the airline carrier under the Revenue Credit Agreement is expected to originate from (1) use and lease agreements with other airlines, (2) various concession agreements, and (3) other miscellaneous revenues generated at Love Field Airport.

All of the assets ultimately acquired by the bonds belong to the City at the time of acquisition pursuant to an Agreement for Donation and Assignment entered into between the City and the airline carrier. The bonds are a special obligation for which the airline carrier has guaranteed the principal and interest payments on the bonds, payable solely from the facilities payments to be made pursuant to the terms of the Special Facilities Agreement and other funds constituting the trust estate under the indenture, including any amounts received under the guaranty. The bonds do not constitute a debt or pledge of the faith and credit of the LFAMC, the City, the County, or the State of Texas, and accordingly have not been reported in the accompanying financial statements. In September 2021, the Special Facilities Revenue Bonds, Series 2010, were refunded with General Airport Revenue Bonds, Series 2021. As a result, the revenue credit agreement decreased approximately \$310 million. The new General Airport Revenue Bonds are described in note 11M. As of September 30, 2021, the Special Facilities Revenue Bonds outstanding was \$88.6 million.

O. Airport Revenues Obligation for Revenue Credit Agreement (Direct Borrowing)

The revenue credit agreement entered into between the City and the airline carrier was made possible as a result of the rate making provisions of the Airport Use and Lease Agreement which provide for the annual calculation of airline rates and charges sufficient to recover among other things, debt service on the bonds. While the crediting back of money to the airline carrier under the revenue credit agreement will be done pursuant to a contractual agreement between the City and the airline carrier, such revenue credits are not pledged to the payment of debt service on the Bonds. The City has determined the obligation under the revenue credit agreement to be a liability, and accordingly has recorded the obligation in the accompanying financial statements. The interest rates for the obligation range between 4.39 percent to 5.48 percent, and the obligation will be amortized over a period of 30 years. The balance of the obligation for the revenue credit agreement was \$88.6 million with the premium of \$2 million for a total balance of \$90.6 million, at September 30, 2021. The schedule of principal and interest payments required for the obligation is provided on the following page (in thousands):

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

| Fiscal Year | Airport Revenue - LFAMC                 |           |            |
|-------------|-----------------------------------------|-----------|------------|
|             | Obligation for Revenue Credit Agreement |           |            |
|             | Principal                               | Interest  | Total      |
| 2022        | \$ 9,280                                | \$ 4,199  | \$ 13,479  |
| 2023        | 9,745                                   | 3,723     | 13,468     |
| 2024        | 10,230                                  | 3,224     | 13,454     |
| 2025        | 10,745                                  | 2,699     | 13,444     |
| 2026        | 11,280                                  | 2,149     | 13,429     |
| 2027-2029   | 37,340                                  | 2,861     | 40,201     |
| Total       | \$ 88,620                               | \$ 18,855 | \$ 107,475 |

P. Business-type Activities Capital Leases (Direct Borrowings)

Airport Parking Capital Leases

During a prior fiscal year, the City entered into capital leases for two parking lots near Love Field Airport. The leased property serves as collateral for non-payment. Events of default under the lease agreements include nonpayment events and covenant noncompliance. In the event of default, the Lessor has the right to terminate the leases and/or recover all damages associated with the default.

Equipment Master Lease

During a prior fiscal year, the City entered into a Master Lease Agreement (the Agreement) with a bank (the Lessor). Each fiscal year since 2017, the City has entered into separate repayment schedules under the Agreement for the lease-purchase of vehicles and other equipment, and each has a maximum allowable amount equal to the principal due on that schedule. Vehicles and equipment purchased through Agreement are pledged as security for repayment of the lease liability. Events of default under the Master Lease Agreement include nonpayment events and covenant noncompliance. In the event of default, the Lessor may declare the entire amount of payments to the end of the term immediately past due and payable, initiate court action against the City to enforce performance per the Agreement, take possession of the vehicles and equipment, and/or terminate the Agreement.

For more information on capital leases, please refer to Note 12.

Q. Sanitation Enterprise Fund (General Obligation Bonds and Pension Obligation Bonds)

In November 2020, the City issued General Obligation Refunding Bonds, Series 2020, of \$46.4 million, with a premium of \$2.1 million, a stated interest rate of 5%, and a final maturity of February 15, 2023. These bonds were issued to refund General Obligation Refunding Bonds, Series 2010C, in the amount of \$46.2 million. Proceeds of \$48.1 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$46.4 million are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$.6 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$1.7 million. A portion of the refunded bonds and new bonds issued were recorded in the governmental activities of the City, and the remaining amounts were recorded in the Sanitation Enterprise Fund as shown the table in Note 11B.

The Sanitation Fund provides for the payment of principal and interest on a portion of the 2010 General Obligation Refunding Bonds and the Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2021 are as follows:

| Series Description                  | Final Maturity | Interest Rates  | Amount    |
|-------------------------------------|----------------|-----------------|-----------|
| Pension Obligation Bonds            | 2035           | 0.295% to 5.48% | \$ 12,387 |
| Series 640 General Obligation Bonds | 2023           | 5.00%           | 2,330     |
| Total Outstanding                   |                |                 | \$ 14,717 |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

R. Non-Major Enterprise Fund (Pension Obligation Bonds)

In November 2020, the City issued General Obligation Refunding Bonds, Taxable Series 2020B, of \$76.9 million, with a premium of \$0.2 million, stated interest rates ranging from 0.8% to 1.25%, and a final maturity of February 15, 2024. The bonds were issued to refund pension obligation bonds (Series 2010). Proceeds of \$76.7 million were deposited with an escrow agent to be used to pay the outstanding principal amount of the refunded bonds. As a result, \$75.8 million of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the financial statements. Total debt service payments decreased by \$0.9 million as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old debt and the new debt service payments) of \$7.3 million. The refunding and the new bonds issued have been allocated to the City's governmental activities and the Dallas Water Utilities, Convention Center, Airport Revenues, Sanitation, and Nonmajor Enterprise Funds as shown in the table in Note 11B.

The non-major enterprise funds provide for the payment of principal and interest on a portion of Pension Obligation Bonds, which are paid through increased contributions to the Debt Service Fund. The bonds outstanding as of September 30, 2021 are as follows:

| Series Description       | Final Maturity | Interest Rates | Amount   |
|--------------------------|----------------|----------------|----------|
| Pension Obligation Bonds | 2035           | 0.295% - 5.48% | \$ 6,905 |

S. Business-Type Activities Debt Service Requirements

The debt service principal and interest payment requirement to maturity at September 30, 2021 for the business-type activities Revenue Bonds and Pension Obligation Bonds are as follows:

| Fiscal Year | Dallas Water Utilities |                     |                     |                                 |                  |                   |
|-------------|------------------------|---------------------|---------------------|---------------------------------|------------------|-------------------|
|             | Revenue Bonds          |                     |                     | Revenue Bonds-Direct Placements |                  |                   |
|             | Principal              | Interest            | Total               | Principal                       | Interest         | Total             |
| 2022        | \$ 119,295             | \$ 84,338           | \$ 203,633          | \$ 6,340                        | \$ 1,452         | \$ 7,792          |
| 2023        | 115,885                | 82,598              | 198,483             | 8,625                           | 1,441            | 10,066            |
| 2024        | 105,370                | 78,643              | 184,013             | 8,640                           | 1,425            | 10,065            |
| 2025        | 97,135                 | 74,646              | 171,781             | 8,660                           | 1,407            | 10,067            |
| 2026        | 86,800                 | 70,840              | 157,640             | 8,680                           | 1,385            | 10,065            |
| 2027-2031   | 460,500                | 298,928             | 759,428             | 43,835                          | 6,507            | 50,342            |
| 2032-2036   | 476,030                | 204,170             | 680,200             | 44,825                          | 5,509            | 50,334            |
| 2037-2041   | 403,660                | 114,824             | 518,484             | 46,235                          | 4,076            | 50,311            |
| 2042-2046   | 274,655                | 48,465              | 323,120             | 48,075                          | 2,248            | 50,323            |
| 2047-2051   | 105,670                | 7,178               | 112,848             | 34,035                          | 363              | 34,398            |
| Total       | <u>\$ 2,245,000</u>    | <u>\$ 1,064,630</u> | <u>\$ 3,309,630</u> | <u>\$ 257,950</u>               | <u>\$ 25,813</u> | <u>\$ 283,763</u> |

| Fiscal Year | Dallas Water Utilities   |                  |                   |
|-------------|--------------------------|------------------|-------------------|
|             | Pension Obligation Bonds |                  |                   |
|             | Principal                | Interest         | Total             |
| 2022        | \$ 6,241                 | \$ 755           | \$ 6,996          |
| 2023        | 6,721                    | 573              | 7,294             |
| 2024        | 7,023                    | 516              | 7,539             |
| 2025        | 1,514                    | 6,909            | 8,423             |
| 2026        | 1,510                    | 7,168            | 8,678             |
| 2027-2031   | 7,548                    | 40,028           | 47,576            |
| 2032-2035   | 7,334                    | 36,193           | 43,527            |
| Total       | <u>\$ 37,891</u>         | <u>\$ 92,142</u> | <u>\$ 130,033</u> |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

| Convention Center |                   |                   |                   |                          |                 |                 |
|-------------------|-------------------|-------------------|-------------------|--------------------------|-----------------|-----------------|
| Fiscal Year       | Revenue Bonds     |                   |                   | Pension Obligation Bonds |                 |                 |
|                   | Principal         | Interest          | Total             | Principal                | Interest        | Total           |
| 2022              | \$ 10,030         | \$ 13,454         | \$ 23,484         | \$ 445                   | \$ 54           | \$ 499          |
| 2023              | 10,530            | 12,953            | 23,483            | 480                      | 41              | 521             |
| 2024              | 11,055            | 12,426            | 23,481            | 501                      | 37              | 538             |
| 2025              | 11,610            | 11,873            | 23,483            | 96                       | 493             | 589             |
| 2026              | 12,190            | 11,293            | 23,483            | 108                      | 511             | 619             |
| 2027-2031         | 70,760            | 46,652            | 117,412           | 539                      | 2,856           | 3,395           |
| 2032-2036         | 91,145            | 26,267            | 117,412           | 523                      | 2,582           | 3,105           |
| 2037-Thereafter   | 43,510            | 3,455             | 46,965            | -                        | -               | -               |
| Total             | <u>\$ 260,830</u> | <u>\$ 138,373</u> | <u>\$ 399,203</u> | <u>\$ 2,692</u>          | <u>\$ 6,574</u> | <u>\$ 9,266</u> |

| Airport Revenues |                               |                   |                   |                          |                 |                  |
|------------------|-------------------------------|-------------------|-------------------|--------------------------|-----------------|------------------|
| Fiscal Year      | General Airport Revenue Bonds |                   |                   | Pension Obligation Bonds |                 |                  |
|                  | Principal                     | Interest          | Total             | Principal                | Interest        | Total            |
| 2022             | \$ 9,075                      | \$ 16,921         | \$ 25,996         | \$ 585                   | \$ 71           | \$ 656           |
| 2023             | 16,835                        | 21,023            | 37,858            | 630                      | 54              | 684              |
| 2024             | 18,740                        | 20,134            | 38,874            | 658                      | 48              | 706              |
| 2025             | 19,680                        | 19,173            | 38,853            | 141                      | 647             | 788              |
| 2026             | 20,660                        | 18,165            | 38,825            | 142                      | 672             | 814              |
| 2027-2031        | 123,980                       | 73,636            | 197,616           | 706                      | 3,750           | 4,456            |
| 2032-2036        | 164,995                       | 37,762            | 202,757           | 687                      | 3,392           | 4,079            |
| 2037-Thereafter  | 86,525                        | 7,701             | 94,226            | -                        | -               | -                |
| Total            | <u>\$ 460,490</u>             | <u>\$ 214,515</u> | <u>\$ 675,005</u> | <u>\$ 3,549</u>          | <u>\$ 8,634</u> | <u>\$ 12,183</u> |

| Sanitation  |                          |              |                 |                          |                  |                  |
|-------------|--------------------------|--------------|-----------------|--------------------------|------------------|------------------|
| Fiscal Year | General Obligation Bonds |              |                 | Pension Obligation Bonds |                  |                  |
|             | Principal                | Interest     | Total           | Principal                | Interest         | Total            |
| 2022        | \$ 1,554                 | \$ 78        | \$ 1,632        | \$ 2,040                 | \$ 247           | \$ 2,287         |
| 2023        | 776                      | 19           | 795             | 2,198                    | 187              | 2,385            |
| 2024        | -                        | -            | -               | 2,296                    | 169              | 2,465            |
| 2025        | -                        | -            | -               | 493                      | 2,259            | 2,752            |
| 2026        | -                        | -            | -               | 494                      | 2,343            | 2,837            |
| 2027-2031   | -                        | -            | -               | 2,468                    | 13,086           | 15,554           |
| 2032-2036   | -                        | -            | -               | 2,398                    | 11,832           | 14,230           |
| Total       | <u>\$ 2,330</u>          | <u>\$ 97</u> | <u>\$ 2,427</u> | <u>\$ 12,387</u>         | <u>\$ 30,123</u> | <u>\$ 42,510</u> |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

| Non-Major Enterprise Funds |           |           |           |
|----------------------------|-----------|-----------|-----------|
| Pension Obligation Bonds   |           |           |           |
| Fiscal Year                | Principal | Interest  | Total     |
| 2022                       | \$ 1,136  | \$ 138    | \$ 1,274  |
| 2023                       | 1,224     | 104       | 1,328     |
| 2024                       | 1,473     | 1,265     | 2,738     |
| 2025                       | 262       | 1,310     | 1,572     |
| 2026                       | 263       | 1,359     | 1,622     |
| 2027-2031                  | 1,327     | 7,587     | 8,914     |
| 2032-2036                  | 1,220     | 5,015     | 6,235     |
| Total                      | \$ 6,905  | \$ 16,778 | \$ 23,683 |

T. Discretely Presented Component Unit Debt Service Requirements

The changes in the DDDA discretely presented component unit's long-term liabilities for the year ended September 30, 2021 are as follows:

|                             | Balance,<br>September 30,<br>2020 | Additions | Deletions | Balance,<br>September 30,<br>2021 | Due Within<br>One Year |
|-----------------------------|-----------------------------------|-----------|-----------|-----------------------------------|------------------------|
| Tax Increment Revenue Bonds |                                   |           |           |                                   |                        |
| Series 2006                 | \$ 30,201                         | \$ -      | \$ 2,374  | \$ 27,827                         | \$ 2,403               |
| Series 2007                 | 23,330                            | -         | 835       | 22,495                            | 840                    |
| Total Bonds                 | 53,531                            | -         | 3,209     | 50,322                            | 3,243                  |
| Accretion                   | 37,282                            | 3,809     | 3,151     | 37,940                            | -                      |
| Total Bonds                 | \$ 90,813                         | \$ 3,809  | \$ 6,360  | \$ 88,262                         | \$ 3,243               |

The Dallas Convention Center Hotel Development Corporation (the Corporation), a discretely presented component unit of the City, issued revenue bonds in a prior fiscal year. The assets pledged as security for repayment of the bonds include the gross operating revenues of the hotel project, reimbursement for a portion of the interest from the Build America Bonds rebate, the State and Local Hotel Occupancy Tax Rebate, the State Sales Tax rebate, and other property, other than the land, the hotel project constructed on the land, and certain deposits. Events of default include nonpayment events and noncompliance with covenants. In the event of default, the trustee may accelerate principal and interest payments on the bonds, and/or take multiple legal actions, including but not limited to seeking a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 11. Long-Term Debt (continued)

The changes in the Dallas Convention Center Hotel Development Corporation discretely presented component unit's long-term liabilities for the year ended December 31, 2020 are as shown below:

|                                                 | Balance,<br>December 31,<br>2019 | Additions     | Deletions        | Balance,<br>December 31,<br>2020 | Due Within<br>One Year |
|-------------------------------------------------|----------------------------------|---------------|------------------|----------------------------------|------------------------|
| 2009A Current Interest Bonds                    | \$ 53,730                        | \$ -          | \$ 9,125         | \$ 44,605                        | \$ 9,890               |
| 2009A Capital Appreciation Bonds                | 7,139                            | -             | -                | 7,139                            | -                      |
| 2009B Taxable Build America Bonds               | 388,175                          | -             | -                | 388,175                          | -                      |
| Total Revenue Bonds                             | <u>449,044</u>                   | <u>-</u>      | <u>9,125</u>     | <u>439,919</u>                   | <u>9,890</u>           |
| Add: Unamortized Premium                        | 96                               | -             | 51               | 45                               | -                      |
| Less: Unamortized Discount                      | (96)                             | -             | (24)             | (72)                             | -                      |
| Add: Accretion on Capital<br>Appreciation Bonds | 6,532                            | 887           | -                | 7,419                            | -                      |
| Key Money Payable                               | 2,300                            | -             | 1,200            | 1,100                            | 1,100                  |
| Total Long-Term Debt                            | <u>\$ 457,876</u>                | <u>\$ 887</u> | <u>\$ 10,352</u> | <u>\$ 448,411</u>                | <u>\$ 10,990</u>       |

The DDDA discretely presented component unit has issued tax increment bonds that are payable solely from the pledged tax increments of the zone. Events of default include nonpayment events and noncompliance with covenants. In the event of default, registered owners may seek a writ of mandamus to compel members of the board of the DDDA or other officers of the issuer to carry out their legally imposed duties with respect to the bonds.

The tax increment bonds outstanding as of September 30, 2021 are as follows:

| Series Description        | Final Maturity | Interest Rates | Amount           |
|---------------------------|----------------|----------------|------------------|
| Series DDDA - Series 2006 | 2036           | 5.25% - 5.66%  | \$ 27,827        |
| Series DDDA - Series 2007 | 2036           | 5.49% - 6.28%  | 22,495           |
| Total Outstanding         |                |                | <u>\$ 50,322</u> |

The Dallas Convention Center Hotel Development Corporation discretely presented component unit bonds outstanding as of December 31, 2020 are as follows:

| Series Description                | Final Maturity | Interest Rates | Amount            |
|-----------------------------------|----------------|----------------|-------------------|
| 2009A Current Interest Bonds      | 2024           | 4.25% - 5.25%  | \$ 44,605         |
| 2009A Capital Appreciation Bonds  | 2026           | 5.43% - 6.46%  | 7,140             |
| 2009B Taxable Build America Bonds | 2042           | 7.09%          | 388,175           |
| Total Outstanding                 |                |                | <u>\$ 439,920</u> |

The debt service principal and interest payment requirement to maturity at September 30, 2021 for the DDDA discretely presented component unit activities tax increment financing bonds and at December 31, 2020 for the Dallas Convention Center Hotel Development Corporation bonds are as shown on the following page.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 11. Long-Term Debt (continued)

| Fiscal Year | DDDA             |                  |                   | Calendar Year | Dallas Convention Center<br>Hotel Development Corporation |                   |                   |
|-------------|------------------|------------------|-------------------|---------------|-----------------------------------------------------------|-------------------|-------------------|
|             | Principal        | Interest         | Total             |               | Principal                                                 | Interest          | Total             |
| 2022        | 3,243            | 4,914            | 8,157             | 2021          | 9,890                                                     | 29,558            | 39,448            |
| 2023        | 3,249            | 5,161            | 8,410             | 2022          | 10,690                                                    | 29,025            | 39,715            |
| 2024        | 3,088            | 5,578            | 8,666             | 2023          | 11,554                                                    | 28,441            | 39,995            |
| 2025        | 2,743            | 5,673            | 8,416             | 2024          | 12,470                                                    | 27,826            | 40,296            |
| 2026        | 2,239            | 5,774            | 8,013             | 2025          | 5,133                                                     | 35,786            | 40,919            |
| 2031-2035   | 15,551           | 30,052           | 45,603            | 2026-2030     | 73,752                                                    | 130,002           | 203,754           |
| 2036        | 20,209           | 29,299           | 49,508            | 2031-2035     | 105,670                                                   | 94,325            | 199,995           |
| Total       | <u>\$ 50,322</u> | <u>\$ 86,451</u> | <u>\$ 136,773</u> | 2036-2040     | 141,830                                                   | 50,711            | 192,541           |
|             |                  |                  |                   | 2041-2042     | 68,931                                                    | 4,953             | 73,884            |
|             |                  |                  |                   | Total         | <u>\$ 439,920</u>                                         | <u>\$ 430,627</u> | <u>\$ 870,547</u> |

U. Bonds Authorized and Unissued

The following is a schedule of authorized but unissued bonds at September 30, 2021:

|                                  | Date of<br>Authorization | Amount<br>Authorized | Amount<br>Unissued |
|----------------------------------|--------------------------|----------------------|--------------------|
| 2017 Capital Improvement Program | 11/7/2017                | \$ 1,050,000         | \$ 700,498         |

V. Compliance with Debt Covenants

For the year ended September 30, 2021, management of the City believes that it was in compliance with all financial bond covenants on outstanding revenue and general obligation bonded debt.

W. Dallas Water Utilities Commercial Paper Notes (Direct Borrowing)

The commercial paper program constitutes an obligation subordinate to the Waterworks and Sewer System revenue bonds. Any advances made by credit providers for payments of commercial paper under the line of credit are secured by water and wastewater pledged revenues.

The commercial paper notes Series F, effective July 8, 2021, are supported by two liquidity agreements through two banks. The liquidity agreements supporting the Sub-Series F-1 and Sub-Series F-2 notes are through JPMorgan Chase Bank, N.A. and Bank of America N.A., and extend to July 8, 2024. The Sub-Series F-1 notes have an aggregate available principal amount not to exceed \$241.6 million, which included \$225 million of principal together with approximately \$16.6 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum. The Sub-Series F-2 notes have an aggregate available principal amount not to exceed \$80.5 million, which includes \$75 million of principal together with approximately \$5.5 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum.

The commercial paper notes Series G, effective July 8, 2021, are supported by a liquidity agreement with State Street Bank and Trust Company and extend to July 8, 2024. The Series G notes have an aggregate available principal amount not to exceed \$322.2 million, which includes \$300 million of principal together with approximately \$22.2 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate of 10 percent per annum.

Events of default include nonpayment of fees, incorrect or untrue statement made by the City the agreements, breach of covenant, unsatisfied judgements over \$10 million, acceleration of other debt in an amount greater than \$5 million, filing of bankruptcy, validity of agreement invalidated by any governmental authority, debt moratorium, bond ratings downgraded below Baa3/BBB-, material adverse effects as a result of State law repeal or any event of default as defined in Sub-Series F-1, Sub-Series F-2, and Series G credit agreements. The lender may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes.

During fiscal year 2021, \$219.9 million was issued and \$272.8 million was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. There were no commercial paper notes outstanding as of September 30, 2021.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

X. Love Field Airport Modernization Corporation Airport System Commercial Paper Notes (Direct Borrowing)

The commercial paper program constitutes an obligation subordinate to the General Airport Revenue Bonds. Any advances made by credit providers for payments of commercial paper under the line of credit are secured by the Corporation's pledged revenues.

The commercial paper notes, AMT Series are supported by a credit agreement with JPMorgan Chase Bank, N.A., and extends through December 18, 2023. The AMT Series notes have an aggregate available amount not to exceed approximately \$161.1 million, which includes \$150 million of principal together with approximately \$11.1 million of accrued interest for a maximum maturity date not to exceed 270 days at a rate not to exceed 10 percent per annum. During fiscal year 2021, \$2.3 million was issued, and no commercial paper was repaid. Upon maturity, the notes will be remarketed by the commercial paper dealers or extinguished with long-term debt. The City's unused line of credit on the notes was \$147.7 million at September 30, 2021.

Events of default include nonpayment of fees, incorrect or untrue statement made by the City the agreements, breach of covenant, unsatisfied judgements over \$10 million, acceleration of other debt in an amount greater than \$5 million, filing of bankruptcy, validity of agreement invalidated by any governmental authority, debt moratorium, bond ratings downgraded below BBB, Baa2, or BBB, or Fitch, Moody's, or S&P suspends or withdraws its rating of the same, material adverse effects as a result of State law repeal or any event of default as defined in the credit agreement. The lender may seek a writ of mandamus to compel officials of the City to carry out their legally imposed duties with respect to the notes.

Y. Dallas Water Utilities Obligation for Water Transmission Facilities Financing Agreement (Direct Borrowing)

In previous years, the Tarrant Regional Water District (TRWD), a water control and improvement district and political subdivision of the State of Texas, issued Water Facilities Contract Revenue Bonds in February 2012 in the amount of \$131.9 million, in January 2014 in the amount of \$202.1 million in December 2015 in the amount of \$140 million, and in March 2021 in the amount of \$254 million (2021 Series A). The bonds were issued to finance the DWU share of costs for designing, acquiring, constructing, improving, repairing, rehabilitating, and or replacing water transmission facilities capable of delivering additional raw water supply to the customers of the DWU and TRWD for their respective customers (the Project). The Project is tentatively scheduled to be completed in 2027. The City's share of the total cost of the Project is estimated to be \$1 billion. Upon completion of the Project, DWU will have reserved capacity rights in the amount of 150 million gallons per day. Depending on the timing of construction, additional bonds are expected to be issued throughout the construction period. Additionally, in March 2021, The TRWD issued Water Facilities Contract Revenue Bonds, Series B, with a principal amount of \$297.3 million. The bonds were issued to partially refund \$102.1 million of Water Facilities Contract Revenue Bonds, Series 2012, and \$163.9 million of Water Facilities Contract Revenue Bonds, Series 2014.

In order to ensure adequate funding from Dallas Water Utilities for the payment of principal and interest, the City entered into a separate funding agreement with TRWD, a Water Transmission Facilities Financing Agreement (the Agreement). Under this Agreement, the City is obligated to make payments to TRWD for the principal and interest amounts associated with the bonds. The Agreement establishes through State statutes that those payments will be treated as operating and maintenance expenses. The treatment of payments to TRWD as operating and maintenance expenses is only being applied to the Schedule of Revenue Bond Coverage for the Dallas Water Utilities and for purposes of establishing rates.

The Agreement establishes that TRWD shall own and operate the Project, subject to Dallas' reserve capacity rights in the Project. The bonds are a special obligation of TRWD. Principal and interest are secured by, and payable solely from, payments to be received by TRWD from the City to the extent required and provided in the Agreement. The bonds do not constitute a debt or pledge of the faith and credit of the City, and accordingly have not been reported in the accompanying financial statements.

As mentioned above, the TRWD issued Water Facilities Contract Revenue Bonds, Series B, with a principal amount of \$297.3 million. The bonds were issued to partially refund \$102.1 million of Water Facilities Contract Revenue Bonds, Series 2012, and \$163.9 million of Water Facilities Contract Revenue Bonds, Series 2014. The refunding of these bonds resulted in a change in the liability for the Agreement in the amount of \$32.4 million and a corresponding deferred loss, which is being deferred and amortized over the remaining life of the bonds refunded.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 11. Long-Term Debt (continued)

At September 30, 2021, the TRWD Water Facilities Contract Revenue Bonds outstanding were \$675.2 million.

The City has determined the obligation under the Agreement to be a liability to the extent that such obligations are for the payment of bonds issued to fund Dallas Water Utilities' share of costs for the Project. The City has capitalized the development of an intangible asset, Pipeline Reserve Capacity Rights, in Construction in Progress for the actual Project costs incurred by TRWD. The unspent proceeds held by TRWD for future construction costs have been recorded in Restricted Assets: Other Noncurrent Assets – Future Pipeline Reserve Capacity Rights. The interest rates for the obligation range from 0.45 percent to 6.0 percent. The obligation will be amortized over a period of 30 years. The balance of the obligation for the Agreement was \$675.5 million at September 30, 2021.

The revenues and income received by the Dallas Water Utilities from the ownership and operation of the system are pledged as security for repayment of the obligation. Events of default include nonpayment events and covenant noncompliance. In the event of default, TRWD may apply the Texas post judgement interest rate to all amounts not paid when due, assess other interest and legal fees, enforce the rights of the holders of the underlying bonds, and/or suspend the use of by Dallas of its reserved capacity rights in the project.

The schedule of principal and interest payments required for the obligation is provided below:

| Fiscal Year | Principal         | Interest          | Total             |
|-------------|-------------------|-------------------|-------------------|
| 2022        | \$ 20,521         | \$ 15,482         | \$ 36,003         |
| 2023        | 20,830            | 14,801            | 35,631            |
| 2024        | 21,350            | 14,245            | 35,595            |
| 2025        | 21,905            | 13,655            | 35,560            |
| 2026        | 22,240            | 13,280            | 35,520            |
| 2027-2031   | 119,555           | 59,293            | 178,848           |
| 2032-2036   | 134,800           | 45,390            | 180,190           |
| 2037-2041   | 151,530           | 29,789            | 181,319           |
| 2042-2046   | 110,885           | 11,879            | 122,764           |
| 2047-2051   | 51,875            | 3,154             | 55,029            |
| Total       | <u>\$ 675,491</u> | <u>\$ 220,968</u> | <u>\$ 896,459</u> |

Note 12. Leases

A. As Lessee

As lessee, the City is committed under various leases for building and office space, data processing, and communications equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the fiscal year ended September 30, 2021, amounted to \$11.8 million.

Future minimum lease payments for these leases are as follows:

| Year Ending September 30, | Total Rental<br>Payments | Governmental<br>Activities | Business-Type<br>Activities |
|---------------------------|--------------------------|----------------------------|-----------------------------|
| 2022                      | \$ 11,131                | \$ 3,344                   | \$ 7,787                    |
| 2023                      | 9,511                    | 2,148                      | 7,363                       |
| 2024                      | 8,850                    | 1,867                      | 6,983                       |
| 2025                      | 7,390                    | 635                        | 6,755                       |
| 2026                      | 6,902                    | 204                        | 6,698                       |
| 2027-2031                 | 33,224                   | 388                        | 32,836                      |
| 2032-2036                 | 30,749                   | 54                         | 30,695                      |
| Thereafter                | 56,531                   | 186                        | 56,345                      |
| Minimum Future Rentals    | <u>\$ 164,288</u>        | <u>\$ 8,826</u>            | <u>\$ 155,462</u>           |

The City is also committed under capital leases for the purchase of computer equipment, vehicles and heavy equipment, parking garages, and a parking lot. The liability for future capital lease payments totals \$346.8 million. Future minimum lease payments for capital leases including interest and principal are as shown below.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 12. Leases (continued)

| Fiscal Year                                 | Total Rental<br>Payments | Governmental<br>Activities | Business-Type<br>Activities |
|---------------------------------------------|--------------------------|----------------------------|-----------------------------|
| 2022                                        | \$ 37,181                | \$ 25,553                  | \$ 11,628                   |
| 2023                                        | 31,313                   | 22,080                     | 9,233                       |
| 2024                                        | 23,946                   | 16,381                     | 7,565                       |
| 2025                                        | 19,084                   | 12,341                     | 6,743                       |
| 2026                                        | 15,303                   | 9,814                      | 5,489                       |
| 2027-2031                                   | 50,705                   | 24,788                     | 25,917                      |
| 2032-2036                                   | 25,917                   | -                          | 25,917                      |
| Thereafter                                  | 46,902                   | -                          | 46,902                      |
| Total minimum future lease payments         | 250,351                  | 110,957                    | 139,394                     |
| Less: Amount representing interest          | (64,905)                 | (7,956)                    | (56,949)                    |
| Present value of net minimum lease payments | <u>\$ 185,446</u>        | <u>\$ 103,001</u>          | <u>\$ 82,445</u>            |

Analysis of the City's investments in capital assets under capital lease arrangements as of September 30, 2021 is as follows:

|                                | Governmental<br>Activities | Business-Type<br>Activities |
|--------------------------------|----------------------------|-----------------------------|
| Building and equipment         | \$ 152,760                 | \$ 28,145                   |
| Land                           | -                          | 75,270                      |
| Less: Accumulated depreciation | (92,504)                   | (14,556)                    |
| Total                          | <u>\$ 60,256</u>           | <u>\$ 88,859</u>            |

B. As Lessor

The City is also under several lease agreements as lessor whereby it receives revenues from leasing airport terminal space, hangars, parking spaces, ramps, land, buildings, and office space to air carriers and other tenants. These revenue leases are considered for accounting purposes to be operating leases. Additionally, other City departments receive revenues under various agreements for the operation of concessions. Most of these revenues are determined based on various percentages of gross sales for the concessions.

Revenues for the fiscal year ended September 30, 2021 were \$84.2 million. The following is a schedule of minimum future rentals on non-cancelable operating leases as of September 30, 2021:

| Year Ending<br>September 30 | Governmental<br>Activities | Dallas Water<br>Utilities | Convention<br>Center | Airport<br>Revenues | Total             |
|-----------------------------|----------------------------|---------------------------|----------------------|---------------------|-------------------|
| 2022                        | \$ 1,238                   | \$ 62                     | \$ 959               | \$ 71,302           | \$ 73,561         |
| 2023                        | 281                        | 41                        | 940                  | 69,650              | 70,912            |
| 2024                        | 281                        | 41                        | 869                  | 66,794              | 67,985            |
| 2025                        | 272                        | 41                        | 792                  | 66,381              | 67,486            |
| 2026                        | 238                        | 41                        | 792                  | 62,250              | 63,321            |
| 2027-2031                   | 630                        | 207                       | 4,076                | 131,415             | 136,328           |
| 2032-2036                   | 162                        | 207                       | 4,266                | 17,564              | 22,199            |
| Thereafter                  | 260                        | 2,102                     | 12,405               | 62,637              | 77,404            |
| Minimum Future Rentals      | <u>\$ 3,362</u>            | <u>\$ 2,742</u>           | <u>\$ 25,099</u>     | <u>\$ 547,993</u>   | <u>\$ 579,196</u> |

The above amounts do not include contingent rentals of the Airport Revenues Fund, which may be received under certain leases; such contingent rentals received totaled \$866 thousand in fiscal year 2021.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 13. Defeasance of Debt

In current and prior years, the City legally defeased certain outstanding general obligation and enterprise revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments of the refunded bonds. Accordingly, the trust accounts and the defeased bonds are not included in the City's basic financial statements.

As of September 30, 2021, the City had a total of \$332 million defeased outstanding General Obligation Bonds and \$1.1 billion defeased outstanding water and sewer revenue bonds. The bonds defeased during the fiscal year are as follows:

|                               | Balance,<br>September 30,<br>2020 | Additions  | Deletions  | Balance,<br>September 30,<br>2021 |
|-------------------------------|-----------------------------------|------------|------------|-----------------------------------|
| General Obligation Bonds      | \$ 263,900                        | \$ 101,630 | \$ 54,725  | \$ 310,805                        |
| Water and Sewer Revenue Bonds | 1,099,863                         | -          | 46,370     | 1,053,493                         |
| Total                         | \$ 1,363,763                      | \$ 101,630 | \$ 101,095 | \$ 1,364,298                      |

Note 14. Risk Management – Estimated Claims and Judgments Payable

The City is self-insured for all third-party general liability claims. Claims adjusting services are provided by the City's internal staff. Interfund premiums are based primarily upon the insured funds' claims experience and exposure and are reported as cost reimbursement interfund transactions. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and, if probable and material, salvage, and subrogation.

All known City property, primarily buildings and contents, is insured through commercial insurance policies, subject to a \$750 thousand deductible per loss occurrence. The amount of settlements have not exceeded the deductible loss per occurrence during the fiscal year ended September 30 2021, but did in the prior fiscal year.

The City is self-insured for workers' compensation claims that occurred prior to October 1, 1999. Effective October 1, 1999 through January 31, 2013, the City was insured for workers' compensation losses in excess of \$750 thousand per occurrence. Effective February 1, 2013, the City was insured for workers' compensation losses in excess of \$1 million per occurrence. Effective February 1, 2016, the City is insured for workers' compensation losses in excess of \$1.5 million per occurrence. Claims adjusting services are provided by an independent "administrative services" contractor. Workers' compensation premiums are based primarily upon the insured funds' claims experience and exposure, and are reported as cost reimbursement interfund transactions.

All workers' compensation losses are accumulated in a clearing fund which is being reimbursed by the premiums collected. When losses exceed premiums, the deficiencies are prorated and supplemented by the various applicable funds. Accrued workers' compensation liability consists of incurred but not reported as well as unpaid reported claims of which \$43.1 million at September 30, 2021, is recorded in the risk funds. Of this amount, \$5.4 million is estimated to be payable in the next fiscal year.

The City maintains a group health insurance plan for employees and dependents which is self-insured by the City. The City also offers enrollment in one health maintenance organization as an alternative. Premiums are determined based on the annual budget. The City also maintains a group life insurance plan which offers term-life and accidental death and dismemberment for employees and dependents. The City is fully insured for employee term-life. Health claims and claims incurred but not reported that are probable and can be reasonably estimated are accrued in the accompanying basic financial statements at September 30, 2021, in the amount of \$9 million in the risk funds.

At September 30, 2021, the City estimates its general liability at \$56.3 million, of which \$6.7 million is estimated to be payable in the next fiscal year. The general liability includes \$6.7 million for automobile and general liability and \$49.6 million for probable claims and lawsuits.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 14. Risk Management – Estimated Claims and Judgments Payable (continued)

Changes in the balances of claims liabilities during the past fiscal year are as follows:

|                                                                                              | Workers'<br>Compensation |                  | Health          |                 | General<br>Liability |                  |
|----------------------------------------------------------------------------------------------|--------------------------|------------------|-----------------|-----------------|----------------------|------------------|
|                                                                                              | 2021                     | 2020             | 2021            | 2020            | 2021                 | 2020             |
| Unpaid claims, beginning of year                                                             | \$ 41,360                | \$ 41,595        | \$ 8,375        | \$ 7,683        | \$ 59,950            | \$ 11,794        |
| Incurred claims, including incurred but not reported claims (IBNRs) and changes in estimates | 13,447                   | 9,524            | 121,740         | 93,103          | 6,904                | 51,094           |
| Claim payments                                                                               | (6,517)                  | (10,261)         | (130,646)       | (100,633)       | (5,366)              | (4,113)          |
| Changes to prior year estimates (IBNR)                                                       | (5,175)                  | 502              | 9,491           | 8,222           | (5,182)              | 1,175            |
| Unpaid claims, end of year                                                                   | <u>\$ 43,115</u>         | <u>\$ 41,360</u> | <u>\$ 8,960</u> | <u>\$ 8,375</u> | <u>\$ 56,306</u>     | <u>\$ 59,950</u> |

Note 15. Accrued Landfill Liability

The City owns and operates the McCommas Bluff landfill located in the southern portion of the City. The developed 409.2 acres of the landfill has an estimated remaining useful life of 1 year. The undeveloped 493.2 acres of the landfill has an estimated useful life of 24 years. Closure and post-closure care of this landfill is subject to the requirements of Subtitle D of the Resource Conservation and Recovery Act (P.L. 94-580) and Sections 330.250-256 of Title 30 of the Texas Administrative Code administered by the Texas Commission on Environmental Quality (TCEQ). These regulations require the City to place a final cover on each cell of the landfill when it ceases to accept waste, and perform certain maintenance and monitoring functions for thirty years after the closure of each cell.

Because final contours have not been achieved, the City has not yet initiated closure of any of this landfill or incurred closure expenses. Therefore, the estimated \$42.1 million liability for closure/post-closure care is based on 97.7 percent of the capacity of the developed landfill subject to TCEQ regulations--none of which is expected to be paid from current available resources.

The City also owns and operates three transfer stations. The estimated post closure cost is \$250 thousand for the transfer stations at September 30, 2021.

The estimated total liability of \$43.1 million is based on current dollar average cost per acre calculations for this specific landfill as originally provided by consulting firms and has been revised annually by the City to accommodate inflation, deflation, technology, and developmental or regulation changes. In accordance with the provisions of Codification of Governmental Accounting and Financial Reporting Standards, Section L10, "Landfill Closure and Post Closure Care Costs," the City has recorded a closure and post-closure liability of \$42.3 million as a long-term liability. Closure and post-closure care are funded through current Sanitation Fund revenues generated by landfill operations. Effective April 9, 1997, Sections 330.280-284 of Title 30 of the Texas Administrative Code (TAC) require landfill owners to demonstrate financial assurance on an annual basis that they will have sufficient financial resources to satisfy closure and post-closure care expenditures at such time as these become payable.

The City also owns the Deepwood & Loop 12 landfill located at South Miller Road, southwest of Loop 12. This landfill is closed. The estimated total liability for post closure care costs for the entire 47 acres of the closed landfill (132 acres of the Landfill Property) is estimated to be \$4.4 million during the next 15 years, of which \$294 thousand is due within one year.

The total closure and post-closure liability for both landfills and the three transfer stations at September 30, 2021 is \$46.7 million.

Note 16. Pollution Remediation

The City is responsible for following all applicable environmental rules when managing sites with environmental clean-up or management requirements. The Texas Commission on Environmental Quality (TCEQ) is the State regulatory agency that regulates all projects being reported. The method used to calculate the liability is the current value of outlays to remediate the properties – the amount that would be paid if all equipment, facilities, and services included in the estimate were acquired during the current period. The liability is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of September 30, 2021, the total environmental remediation liability is \$3.5 million, and the current portion of this liability is \$2.9 million. At this time, the City is unable to estimate any recoveries to reduce the liability.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 16. Pollution Remediation (continued)

Nineteen sites are regulated by the Texas Risk Reduction Program, Texas Administrative Code (TAC) Ch. 350. During the reporting period, the City began remediation activities at one new site. The total estimated cost is \$2.8 million, and the current portion of this liability is \$2.2 million.

Two leaking petroleum storage tank sites are managed by environmental corrective activities in compliance with the rule for Underground and Aboveground Storage Tanks, TAC Ch 334. During the reporting period the City began remediation activities at one new site and completed remediation activities at one site. The total estimated cost is \$18 thousand, and the current portion of this liability is \$18 thousand.

Six sites are also managed by testing and removal of asbestos in compliance with Texas Asbestos Health Protection Rules, TAC Ch 295 Occupational Safety and Health Administration (OSHA) Lead Exposure Rules 29 Code of Federal Regulations (CFR) 1926.62. During the reporting period, the City completed remediation activities at two sites. The total estimated cost is \$668 thousand, and the current portion of this liability is \$619 thousand.

A former shingle recycling site is regulated by the Texas Municipal Waste Rules, TAC Ch 330. Through a judgment, the City has taken responsibility to remove shingle debris from a private property and transfer the shingles and associated waste to McCommas Bluff Landfill (MBLF). During the reporting period, shingles were removed and transferred to MBLF, soil with shingles disposed of at MBLF, and a Phase I and II Environmental Site Assessment (ESA) were completed. Activities expected to be completed in the current period include supplemental site investigation. The estimated cost for this project is \$22 thousand, and the current portion of this liability is \$22 thousand. Additional environmental services will be needed to closeout environmental with TCEQ after future land use is determined.

The City's pollution remediation for the year ended September 30, 2021 are as follows:

| Sites regulated by                           | Balance,<br>September 30,<br>2020 | Additions       | Deletions       | Balance,<br>September 30,<br>2021 | Due Within<br>One Year |
|----------------------------------------------|-----------------------------------|-----------------|-----------------|-----------------------------------|------------------------|
| Governmental Activities:                     |                                   |                 |                 |                                   |                        |
| Texas Risk Reduction Program                 | \$ 2,032                          | \$ 991          | \$ 694          | \$ 2,329                          | \$ 2,123               |
| Texas Asbestos Health<br>Protection Rules    | 1,254                             | 9               | 595             | 668                               | 619                    |
| Total Governmental Activities                | <u>3,286</u>                      | <u>1,000</u>    | <u>1,289</u>    | <u>2,997</u>                      | <u>2,742</u>           |
| Business-type Activities                     |                                   |                 |                 |                                   |                        |
| Convention Center                            |                                   |                 |                 |                                   |                        |
| Texas Risk Reduction Program                 | 63                                | -               | -               | 63                                | 63                     |
| Airport Revenues                             |                                   |                 |                 |                                   |                        |
| Texas Risk Reduction Program                 | 511                               | -               | 118             | 393                               | 10                     |
| Underground and Aboveground<br>Storage Tanks | -                                 | 86              | 68              | 18                                | 18                     |
| Sanitation                                   |                                   |                 |                 |                                   |                        |
| Texas Municipal Waste Rules                  | 971                               | 275             | 1,224           | 22                                | 22                     |
| Total Business-type Activities               | <u>1,545</u>                      | <u>361</u>      | <u>1,410</u>    | <u>496</u>                        | <u>113</u>             |
| Total Pollution Remediation                  | <u>\$ 4,831</u>                   | <u>\$ 1,361</u> | <u>\$ 2,699</u> | <u>\$ 3,493</u>                   | <u>\$ 2,855</u>        |

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans

A. Plan Descriptions

The City participates in funding three single employer, contributory, defined benefit employee pension plans. Membership is a condition of employment for all full-time, permanent employees. The activities of the entities as of December 31, 2020 are reported in the City's Pension Trust Funds. Descriptions of each plan are as follows:

Employees' Retirement Fund (ERF): The legal authority for this plan is Chapter 40A of the Dallas City Code. The fund is for the benefit of all eligible employees of the City, excluding firefighters and police officers. The fund is administered by a seven member board of trustees consisting of three persons appointed by the City Council who may be council members, three employees from different departments of the City who are elected by members of the retirement fund and who are members of the retirement fund, and the City Auditor. The ERF issues a stand-alone financial report which is available at: [www.dallaserf.org/publications-resources](http://www.dallaserf.org/publications-resources).

Dallas Police and Fire Pension System Combined Plan (Combined Plan): The legal authority for the Combined Plan is Article 6243a-1 of the Revised Civil Statutes of Texas. In 2017, changes to the plan were implemented by the passing of HB 3158. The Combined Plan is a retirement fund for police officers and firefighters employed by the City of Dallas. The system is administered by an eleven member board of trustees of the Dallas Police and Fire Pension System (DPFP System) composed of one elected from active members of the police department, one elected from active members of the fire rescue department, three elected by the nominations committee, and six appointed by the Mayor in consultation with city council. It is comprised of a single defined benefit pension plan designed to provide retirement, death, and disability benefits for firefighters and police officers (members). All active, eligible police officers and firefighters employed by the City are required to participate. The DPFP System issues a stand-alone financial report which is available at: [www.dpfp.org/Financial/Financial-Reports](http://www.dpfp.org/Financial/Financial-Reports).

Supplemental Police and Fire Pension Plan of the City of Dallas (Supplemental Plan): The legal authority for the Supplemental Plan is Subsection 35 of Chapter II of the Charter of the City of Dallas and Ordinance 14084 of 1973. The plan is administered by the board of trustees for the DPFP System. This plan includes officials in the Fire and Police Departments who hold rank higher than the highest corresponding Civil Service rank available as a result of competitive examination and who have elected participation. The Supplemental Plan issues a stand-alone financial report which is available at: [www.dpfp.org/Financial/Financial-Reports](http://www.dpfp.org/Financial/Financial-Reports).

B. Benefits provided

ERF: ERF provides retirement, disability, and death benefits to its members in accordance with Chapter 40A of the Dallas City Code. All employees of the City are members except police officers, firefighters, elected officers, non-salaried appointee members of boards or commissions, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. The plan consists of Tier A and Tier B members.

Members hired prior to January 1, 2017 (Tier A) have vested rights to retirement benefits after five years of service or to survivor benefits after two years of service. Benefits are based on credited service and the average monthly earnings for the three highest paid calendar years. Members of the Tier A are entitled to normal retirement pension at age 60; early retirement pension at age 55 if employed prior to May 9, 1972 or age 50 and age plus years of service total 78; service retirement pension at any age after 30 years of credited service and disability retirement pension as determined by the board of trustees. Cost of living adjustments for retirees are made each year on January 1 by adjusting the pension base by the percentage change of the consumer price index, not to exceed 5 percent.

Members hired after December 31, 2016 (Tier B) have vested rights to retirement benefits after five years of service or to survivor benefits after two years of service. Benefits are based on credited service and the average monthly earnings for the five highest paid calendar years. Members of Tier B are entitled to normal retirement pension at age 65; early retirement pension with a reduced benefit prior to age 65 and age plus years of service total 80 and; service retirement pension at any age after 40 years of credited service and disability retirement pension as determined by the board of trustees. Cost of living adjustments for retirees are made each year on January 1 by adjusting the pension base by the percentage change of the consumer price index, not to exceed 3 percent.

Amendments to Chapter 40A of the Dallas City Code, other than provisions required to comply with federal law, may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

Combined Plan: The Combined Plan provides comprehensive retirement, disability, and survivor benefits for the City's police officers, firefighters and their beneficiaries as authorized through Article 6243a-1 of the Revised Civil Statutes of Texas. The Combined Plan consists of Group A and Group B membership. No member elected contribution under Group A.

Under Group A, members may elect to receive one of two benefit structures (Options 1 and 2):

- Option 1 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 50 equal to 50 percent of the base pay as defined as the maximum monthly civil service pay established by the City at the time of retirement plus 50 percent of the longevity pay the member was receiving at the time he or she left active service with the City or the effective date the member joined the Deferred Retirement Option Plan (DROP). Benefit payments are adjusted annually according to changes in active service base pay, if any. Additionally, a member is eligible to receive 50 percent of the difference between any annualized City service incentive pay granted to the member less annual longevity pay.
- Option 2 entitles members with 20 years or more of pension service to normal monthly pension benefits beginning at age 55 equal to 3 percent of the base pay computed, as noted in Option 1, for each year of pension service with a maximum of 32 years. In addition, a member receives 50 percent of the longevity pay and 1/24 of any City service incentive pay the member was receiving at the time he or she left active service with the City or the effective date the member joined DROP. Prior to September 1, 2017, pension benefit payments increased annually on October 1<sup>st</sup> by 4 percent of the initial benefit amount. After September 1, 2017, pension benefit payments are eligible for an ad hoc cost of living increase as approved by the Board, if certain funding requirements are met.

Under Group B, members receive one of two benefit structures:

- Members who began membership before March 1, 2011 with 5 or more years of pension service are entitled to monthly pension benefits beginning at age 50 equal to 3% of the member's average base pay plus education and longevity pay (Computation Pay) determined over the highest 36 consecutive months of Computation Pay, multiplied by the number of years of pension service prior to September 1, 2017. The monthly pension benefit for service earned after September 1, 2017 is based on the highest 60 consecutive months of Computation Pay multiplied by a 2.5% multiplier at age 58. The multiplier is reduced to between 2.0% and 2.4% for retirement beginning at age 53 and prior to age 58. The member cannot accrue a monthly pension benefit that exceeds 90% of the member's average Computation Pay. Certain members may receive a 2.5% multiplier for pension service after September 1, 2017 prior to age 58 if the combination of their pre and post September 1, 2017 pension service calculations using the 2.5% multiplier for post September 1, 2017 meets or exceeds the 90% maximum benefit. Certain members who meet the service prerequisite or were 45 prior to September 1, 2017 may elect to take early retirement with reduced benefits starting at age 45, or earlier if the member has 20 years of pension service.
- Members who began membership after February 28, 2011 are entitled to monthly pension benefits after accruing 5 years of pension service and the attainment of age 58. Pension benefits are equal to the member's average Computation Pay determined over the highest 60 consecutive months of Computation Pay, multiplied by 2.5% for the number of years of pension service. The member cannot accrue a monthly pension benefit that exceeds 90% of the member's average Computation Pay. Certain members who meet the service prerequisite may elect to take early retirement with reduced benefits starting at age 53.

Members who are eligible to retire are allowed to enter the DROP program. The member's monthly benefit remains in a DROP account which does not accumulate interest. Upon retirement from the City, the member is able to withdraw annuitized benefits from their DROP account; however, under certain circumstances, members may be eligible to withdraw a lump sum amount. The total DROP account balance was \$1.01 billion at December 31, 2020.

The Combined Plan documents may be amended only by the Texas State legislature.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

Supplemental Plan: The Supplemental Plan provides benefits designed to supplement Combined Plan Group B benefits for members holding a rank higher than the highest corresponding civil service rank because their Combined Plan benefits are capped by the definition of “considered compensation.” Benefits provided by the Supplemental Plan were approved by the Dallas City Council through passage of City Ordinance 14084 of 1973 as authorized in City Charter Chapter II, Subsection 35. Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 50. Members receive a supplemental pension based upon the difference between compensation for the civil service position held before entrance into the Supplemental Plan and compensation while participating in the Supplemental Plan. The formula used to determine the member’s Combined Plan Group B benefit is also used to determine the member’s benefit under the Supplemental Plan; therefore, the same length of time is used to determine the average computation pay for both the Combined Plan and the Supplemental Plan, as well as provisions for the application for benefits.

Members who are eligible to retire are allowed to enter the DROP program. The member’s monthly benefit remains in a DROP account which does not accumulate interest. Upon retirement from the City, the member is able to withdraw annuitized benefits from their DROP account; however, under certain circumstances, members may be eligible to withdraw a lump sum amount. The total DROP account balance was \$6.9 million at December 31, 2020.

The Supplemental Plan document can be amended only by the City Council in accordance with City ordinance.

C. Employees covered by benefit terms

At December 31, 2020, the following numbers of employees were covered by the benefit terms:

|                                                                  | ERF           | Combined<br>Plan | Supplemental<br>Plan |
|------------------------------------------------------------------|---------------|------------------|----------------------|
| Retirees and beneficiaries currently receiving benefits          | 7,552         | 5,110            | 141                  |
| Inactive members entitled to benefits but not yet receiving them | 1,710         | 241              | 2                    |
| Current members                                                  | 7,244         | 5,106            | 45                   |
| Total                                                            | <u>16,506</u> | <u>10,457</u>    | <u>188</u>           |

D. Contributions

ERF: Chapter 40A of the Dallas City Code establishes contribution requirements. Changes to the contribution formula may only be made by a proposal initiated by either the board of trustees of the ERF or the City Council which results in an ordinance approved by the board, adopted by the City Council, and approved by a majority of the voters voting at a general or special election.

The City contributes 63 percent of the required contribution and the membership contributes 37 percent. The City’s contribution rate covers both the debt service tied to the pension obligation bonds and the contributions to the Employees’ Retirement Fund. Although the total contribution is actuarially determined each year, it is adjusted based on the following requirements of Chapter 40A: (1) the maximum contribution percentage of covered wages is 36 percent; (2) the maximum increase or decrease from one year to the next is 10 percent; and (3) the contribution rate changes only if the actuarial valuation develops a rate which differs from the prior rate by more than 300 basis points. The adjusted contribution as a result of Chapter 40A is the Current Adjusted Total Obligation Rate (CATOR). Contribution rates are 13.32 percent of covered wages for employees and 22.68 percent for the City for the City’s fiscal year ended September 30, 2021. The City’s contribution of 22.68 percent is divided into 14.14 percent cash to the Plan and 8.54 percent for debt service payments on the pension obligation bonds. For fiscal year 2021, the City contribution was \$63 million.

Combined Plan: Article 6243a-1 of the Revised Civil Statutes of the State of Texas establishes contribution requirements. The amount of the contribution percentage may be determined only by the State Legislature or by a majority vote of the voters of the City of Dallas.

Prior to September 6, 2017, the City made statutorily required contributions of 27.5 percent of total wages and salaries as defined in the Combined Plan document and Article 6243a-1. After September 1, 2017, the City contributes 34.5 percent of computation pay, with a floor for seven years, plus \$13 million per year until 2024. No member elected contribution under Group A. Group B members are required to contribute 13.5 percent of their computation pay. For fiscal year 2021, the City contribution was \$165 million.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 17. Pension Plans (continued)

Supplemental Plan: Ordinance 14084 of 1973 establishes contribution requirements. Changes to the contribution amounts or percentages may be made by City Council ordinance.

Members of the Supplemental Plan contribute 13.5 percent of their pay that is applicable to the Supplemental Plan. The City makes an annual contribution to the Supplemental Plan based on the results of an actuarial study. For fiscal year 2021, the City contribution was \$2.1 million.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date.

F. Actuarial Assumptions

The total pension liabilities in the December 31, 2020 actuarial valuations were determined using the following actuarial assumptions for each of the plans, applied to all periods included in the measurement:

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

|                                   | ERF                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Combined Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Supplemental Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                         | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Salary Increases                  | 3.0% to 8.25%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                            | 2.5% to 3.25%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2.5% to 3.25%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Investment Rate of Return         | 7.25%                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 7.00%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 7.00%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Mortality                         | <p><b>For actives:</b><br/> Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019).</p> <p><b>For healthy retirees:</b><br/> 2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019).</p> <p><b>For all disabled lives:</b><br/> 2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, using Scale UMP (Ultimate MP-2019).</p> | <p><b>For actives:</b><br/> Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p><b>For healthy retirees:</b><br/> Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p><b>For all disabled lives:</b><br/> Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.</p> | <p><b>For actives:</b><br/> Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.</p> <p><b>For healthy retirees:</b><br/> Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.</p> <p><b>For all disabled lives:</b><br/> Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019.</p> |
| Cost of Living Adjustments        | The percentage of change in the price index for October of the current year over October of the previous year, or the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum COLA for Tier A retirees is 5%, and the maximum for Tier B retirees is 3%.                                                                                                                 | Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 2% of original benefit, beginning October 1, 2063.                                                                                                                                                                                                                                                                                                                                                                                                                                   | Ad hoc granted by the Board when the Combined Plan is 70 percent funded after accounting for the COLA. 2% of original benefit, beginning October 1, 2063.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Long-term expected rate of return | Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.                                                                                        | Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.                                                                                                                                                            | Estimated using a building block methodology in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.                                                                                                                                                            |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 17. Pension Plans (continued)

The target allocation and best estimates of arithmetic real rates of return (RROR) for each of the plans, by major asset class, are summarized in the following table:

| Asset Class                     | ERF               |                |                   |                |
|---------------------------------|-------------------|----------------|-------------------|----------------|
|                                 | Target Allocation | Long-term RROR | Target Allocation | Long-term RROR |
| Domestic equity                 | 12.5%             | 6.00%          |                   |                |
| International equity            | 12.5%             | 6.75%          |                   |                |
| Global equity                   | 7.5%              | 6.45%          |                   |                |
| Global low volatility equity    | 12.5%             | 6.41%          |                   |                |
| Investment grade fixed income   | 15.0%             | 2.70%          |                   |                |
| High yield                      | 10.0%             | 4.20%          |                   |                |
| Credit opportunities            | 5.0%              | 5.35%          |                   |                |
| Global public infrastructure    | 5.0%              | 7.23%          |                   |                |
| REITs                           | 2.5%              | 4.70%          |                   |                |
| Private real estate - core      | 5.0%              | 5.40%          |                   |                |
| Private real estate - value add | 2.5%              | 8.00%          |                   |                |
| Private equity                  | 7.5%              | 8.05%          |                   |                |
| Marketable alternatives         | 2.5%              | 4.42%          |                   |                |
| Total                           | 100.0%            |                |                   |                |

| Asset Class                       | Combined Plan     |                | Supplemental Plan |                |
|-----------------------------------|-------------------|----------------|-------------------|----------------|
|                                   | Target Allocation | Long-term RROR | Target Allocation | Long-term RROR |
| Global equity                     | 40%               | 6.80%          | 40%               | 6.80%          |
| Emerging markets equity           | 10%               | 9.20%          | 10%               | 9.20%          |
| Private equity                    | 5%                | 10.55%         | 5%                | 10.55%         |
| Cash                              | 3%                | -0.20%         | 3%                | -0.20%         |
| Short-term investment grade bonds | 12%               | -0.10%         | 12%               | -0.10%         |
| Investment grade bonds            | 4%                | 0.40%          | 4%                | 0.40%          |
| High yield bonds                  | 4%                | 3.10%          | 4%                | 3.10%          |
| Bank loans                        | 4%                | 2.30%          | 4%                | 2.30%          |
| Global bonds                      | 4%                | 0.50%          | 4%                | 0.50%          |
| Emerging markets debt             | 4%                | 3.30%          | 4%                | 3.30%          |
| Real estate                       | 5%                | 3.65%          | 5%                | 3.65%          |
| Natural resources                 | 5%                | 7.90%          | 5%                | 7.90%          |
| Total                             | 100%              |                | 100%              |                |

G. Discount Rate

ERF: The discount rate used to measure the total pension liability was 5.27 percent. This single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and the municipal bond rate of 2.00 percent. The projection of cash flows used to determine the discount rate assumed that that (1) plan member contributions and City contributions will be made at the projected future contribution rates outlined in Chapter 40A of the Dallas City Code, under which employees contribute 37 percent of the CATOR; the City contributes 63 percent of the CATOR, reduced by the amount required to pay current debt service on the 2005 pension obligation bonds; (2) the ERF annually earns 7.25 percent on its market value of assets; and (3) the number of active members remains constant in the future. Based on those assumptions and the ERF's funding policy, the last year in the single discount rate projection period for which projected benefit payments were fully funded was 2058, and the resulting single discount rate is 5.27 percent.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

Combined Plan: The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee and City contributions will be made in accordance with House Bill 3158, including statutory minimums through 2024 and 34.5% of computation pay thereafter. The fiduciary net position of the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Supplemental Plan: The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Supplemental Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

On May 31, 2017, Texas Governor Greg Abbott signed into law House Bill 3158, affecting the Dallas Police and Fire Pension System ("Pension System"). House Bill 3158 primarily amends 6243a-1, Texas Revised Statutes, including amendments to provisions concerning benefits, contributions, and governance, among other things. These changes took effect September 1, 2017 for both the Combined and Supplemental Plans.

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**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Note 17. Pension Plans (continued)

H. Changes in the Net Pension Liability

The following table shows the net pension liabilities as of December 31, 2020.

|                                                              | Increase (Decrease)        |                                |                          |
|--------------------------------------------------------------|----------------------------|--------------------------------|--------------------------|
|                                                              | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
| <b><u>Employees' Retirement Fund</u></b>                     |                            |                                |                          |
| Balances at 12/31/19                                         | \$ 5,658,724               | \$ 3,658,088                   | \$ 2,000,636             |
| Changes for the year:                                        |                            |                                |                          |
| Service cost                                                 | 118,452                    | -                              | 118,452                  |
| Interest                                                     | 330,348                    | -                              | 330,348                  |
| Changes of assumptions                                       | 479,292                    | -                              | 479,292                  |
| Differences between expected and actual experience           | (82,641)                   | -                              | (82,641)                 |
| Contributions - City                                         | -                          | 61,615                         | (61,615)                 |
| Contributions - Employee                                     | -                          | 58,359                         | (58,359)                 |
| Net investment income                                        | -                          | 229,105                        | (229,105)                |
| Benefit payments, including refunds of employee contribution | (294,322)                  | (294,322)                      | -                        |
| Administrative expense                                       | -                          | (5,700)                        | 5,700                    |
| Other changes                                                | -                          | (392)                          | 392                      |
| Net Changes                                                  | <u>551,129</u>             | <u>48,665</u>                  | <u>502,464</u>           |
| Balances at 12/31/20                                         | <u>\$ 6,209,853</u>        | <u>\$ 3,706,753</u>            | <u>\$ 2,503,100</u>      |
| <b><u>Combined Plan</u></b>                                  |                            |                                |                          |
| Balances at 12/31/19                                         | \$ 4,731,960               | \$ 2,057,857                   | \$ 2,674,103             |
| Changes for the year:                                        |                            |                                |                          |
| Service cost                                                 | 56,244                     | -                              | 56,244                   |
| Interest                                                     | 324,046                    | -                              | 324,046                  |
| Changes of assumptions                                       | 257,525                    | -                              | 257,525                  |
| Differences between expected and actual experience           | 70,548                     | -                              | 70,548                   |
| Contributions - City                                         | -                          | 161,950                        | (161,950)                |
| Contributions - Employee                                     | -                          | 57,305                         | (57,305)                 |
| Net investment income                                        | -                          | (8,928)                        | 8,928                    |
| Benefit payments, including refunds of employee contribution | (317,951)                  | (317,951)                      | -                        |
| Administrative expense                                       | -                          | (6,534)                        | 6,534                    |
| Net Changes                                                  | <u>390,412</u>             | <u>(114,158)</u>               | <u>504,570</u>           |
| Balances at 12/31/20                                         | <u>\$ 5,122,372</u>        | <u>\$ 1,943,699</u>            | <u>\$ 3,178,673</u>      |
| <b><u>Supplemental Plan</u></b>                              |                            |                                |                          |
| Balances at 12/31/19                                         | \$ 35,839                  | \$ 17,307                      | \$ 18,532                |
| Changes for the year:                                        |                            |                                |                          |
| Service cost                                                 | 379                        | -                              | 379                      |
| Interest                                                     | 2,438                      | -                              | 2,438                    |
| Changes of assumptions                                       | 1,559                      | -                              | 1,559                    |
| Differences between expected and actual experience           | 47                         | -                              | 47                       |
| Contributions - City                                         | -                          | 1,778                          | (1,778)                  |
| Contributions - Employee                                     | -                          | 245                            | (245)                    |
| Net investment income                                        | -                          | (123)                          | 123                      |
| Benefit payments, including refunds of employee contribution | (2,778)                    | (2,778)                        | -                        |
| Administrative expense                                       | -                          | (55)                           | 55                       |
| Net Changes                                                  | <u>1,645</u>               | <u>(933)</u>                   | <u>2,578</u>             |
| Balances at 12/31/20                                         | <u>\$ 37,484</u>           | <u>\$ 16,374</u>               | <u>\$ 21,110</u>         |



**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 17. Pension Plans (continued)

The net pension liability for the ERF has been allocated between governmental activities and business-type activities based on the percentage of contribution by each. The net pension liability for the Combined Plan and Supplemental Plan is reported in the governmental activities. For governmental activities, the total net pension liability was \$4,861,149 and for business-type activities, \$841,736. The amount of the ERF net pension liability allocated by business-type activity is \$480,759 to Dallas Water Utilities, \$28,088 to Convention Center, \$73,076 to Airport Revenues, \$157,787 to Sanitation and \$102,026 to nonmajor funds.

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the City, calculated using the discount rates of 5.27 percent for ERF, 6.50 percent for the Combined Plan and 6.50 percent for the Supplemental Plan, as well as what the City's net pension liability would be if it were calculated using discount rates that are 1-percentage-point lower (4.27 percent for ERF, 5.50 percent for the Combined Plan and 5.50 percent for the Supplemental Plan) or 1-percentage-point higher (6.27 percent for ERF, 7.50 percent for the Combined Plan and 7.50 percent for the Supplemental Plan) than the current rates:

|                   | 1% Decrease  | Current<br>Discount Rate | 1% Increase  |
|-------------------|--------------|--------------------------|--------------|
| ERF               | \$ 3,357,782 | \$ 2,503,100             | \$ 1,799,357 |
| Combined Plan     | \$ 3,787,843 | \$ 3,178,673             | \$ 2,672,602 |
| Supplemental Plan | \$ 24,651    | \$ 21,110                | \$ 18,093    |

J. Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of each of the pension plans is available in the separately issued financial reports.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2021, the City recognized total pension expense of \$30,190, \$368,416 of which was for the ERF, (\$341,906) for the Combined Plan, and \$3,680 for the Supplemental Plan. At September 30, 2021, the City also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | ERF                  |                     | Combined Plan        |                     | Supplemental<br>Plan |
|----------------------------------------------------------------------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
|                                                                                  | Deferred<br>Outflows | Deferred<br>Inflows | Deferred<br>Outflows | Deferred<br>Inflows | Deferred<br>Outflows |
| Differences between expected and actual experience                               | \$ 1,481             | \$ 70,580           | \$ 72,415            | \$ 68,166           | \$ -                 |
| Changes of assumptions                                                           | 683,466              | 22,736              | 331,856              | 966,144             | -                    |
| Net difference between projected and actual earnings on pension plan investments | -                    | 13,711              | 184,046              | -                   | 1,836                |
| Contributions subsequent to the measurement date                                 | 48,008               | -                   | 124,624              | -                   | 2,099                |
| Total deferred outflows/inflows                                                  | <u>\$ 732,955</u>    | <u>\$ 107,027</u>   | <u>\$ 712,941</u>    | <u>\$ 1,034,310</u> | <u>\$ 3,935</u>      |

Deferred outflows of resources reported in the amounts of \$48,008, \$124,624 and \$2,099 related to pension contributions in the ERF, Combined Plan and Supplemental Plan made subsequent to the measurement date will be recognized as a reduction of the net pension liability during the fiscal year ending September 30, 2022. Deferred outflows and inflows of resources reported in the amount of \$133,763 related to pensions will be recognized in pension expense as shown on the following page. The Convention Center enterprise fund had net deferred outflows related to the difference between projected and actual earnings on pension plan investments in the amount of \$737 thousand at September 30, 2021. This amount has been combined with net deferred inflows from the difference between projected and actual interest earnings on plan investments in the governmental activities and all other enterprise funds in the table shown above.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 17. Pension Plans (continued)

|                   | ERF               | Combined<br>Plan    | Supplemental<br>Plan |
|-------------------|-------------------|---------------------|----------------------|
| Year ending 9/30: |                   |                     |                      |
| 2022              | \$ 315,078        | \$ (373,823)        | \$ 598               |
| 2023              | 194,930           | (384,166)           | 493                  |
| 2024              | 34,697            | 92,308              | 484                  |
| 2025              | 33,215            | 101,340             | 261                  |
| 2026              | -                 | 71,481              | -                    |
| Thereafter        | -                 | 46,867              | -                    |
| Total             | <u>\$ 577,920</u> | <u>\$ (445,993)</u> | <u>\$ 1,836</u>      |

Note 18. Commitments and Contingencies

A. Pending Lawsuits and Claims

Various claims and lawsuits are pending against the City and its officers and employees acting in their official capacities (hereafter collectively "City" for purposes of Note 18 A). Those lawsuits and claims, excluding condemnation proceedings, which are considered "probable" and estimable are accrued as a liability, while those claims and judgments, excluding condemnation proceedings, which are considered "reasonably possible" are disclosed but not accrued.

At September 30, 2021, approximately \$49.7 million has been accrued in the Risk Fund as a liability for pending material claims and lawsuits, excluding condemnation proceedings, considered to be probable. In the opinion of the City Attorney, this is the total amount of all such pending claims and lawsuits which represent probable loss to the City.

In the opinion of the City Attorney, the potential loss resulting from all material pending lawsuits and claims, excluding condemnations proceedings, which are considered reasonably possible and estimable, is approximately \$19 million as of September 30, 2021.

B. Commitments and Loss Contingencies

The City participates in a number of federally assisted and state grant programs, principally the Community Development Block Grant, Women, Infants and Children, Coronavirus Relief Fund, Emergency Rental Assistance, HOME, Airport Improvement, and Clear Air And Drinking Water programs. The programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of the expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amount, if any, to be immaterial.

The City has several major construction projects planned or in progress as of September 30, 2021. These projects are evidenced by contractual commitments and include the following: \$404 million for General Purpose Capital Improvements and \$422.8 million for Water Utilities Capital Improvements.

As discussed in note 2.B., Budgets and Budgetary Basis of Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability, and to facilitate effective cash planning and control. As of September 30, 2021, the amount of encumbrances expected to be honored upon performance by the vendor in a subsequent year were as follows:

|                             | Encumbrance<br>Amount |
|-----------------------------|-----------------------|
| General fund                | \$ 51,565             |
| Nonmajor governmental funds | 483,209               |
| Total                       | <u>\$ 534,774</u>     |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 19. Dallas Water Utilities Prepaid Escrow

On October 1, 1981, the City of Dallas purchased water supply rights for Lake Fork, a water source owned and operated by the Sabine River Authority (Authority), for approximately \$117 million. Lake Fork is located on Lake Fork Creek, a tributary of the Sabine River, in Wood, Hopkins, and Rains Counties, approximately 70 miles east of the City of Dallas. Financial obligations of the City's share of Lake Fork water supply rights were fully paid as of December 2004. The City now has a contract with the Authority for 74 percent of the water available from Lake Fork.

The City was required to pay the Authority for a pro rata share of the operation and maintenance costs associated with Lake Fork, which was approximately \$14.8 million in the fiscal year ended September 30, 2021. The pro rata share of the operation and maintenance costs owed to the Authority for the renewal of the Lake Fork contract was to be mutually negotiated with the Authority pursuant to the terms of the contract. Negotiation attempts with the Authority failed and in October 2014, the Authority unilaterally established a rate which would require the City to pay approximately an additional \$24 million annually for the water to which it is entitled. The City challenged the rate by filing petitions with the Public Utilities Commission of Texas (PUC) and district courts in Travis and Orange counties in Texas. The PUC ordered an administrative law judge to consider setting an interim rate while this dispute was pending.

On April 2, 2015, the administrative law judge ruled that the interim rate must be paid by the City of Dallas until the rate case was resolved. The rate was set by the Authority on a take-or-pay basis, without a cost escalator. This interim rate was retroactive to November 2, 2014. The amounts the City paid in accordance with the interim rate were expensed and deposited into an interest-bearing escrow account, established by the Authority, pending the final outcome of the rate case.

A settlement agreement was approved by City Council on October 11, 2017 and by the Authority Board of Directors on October 12, 2017.

The interest-bearing escrow account balance was \$68.7 million on September 30, 2018. Terms of the settlement agreement required that \$23.4 million be paid immediately from the escrow account as additional compensation to the Authority for the period November 2, 2014 through September 30, 2018. The remaining escrow amount of \$45.3 million at September 30, 2017, plus the accrued September escrow contribution of \$2 million (total \$47.3 million) will be used to offset future payments of additional compensation by the City to the Authority, until the escrow account balance is depleted, and has been recorded as Prepaid Escrow on the statement of net position. The escrow balance was \$15.7 million on September 30, 2021. The remaining balance is estimated to be fully depleted in three to four years.

Note 20. Other Postemployment Benefits

A. Plan Description

In addition to pension benefits, the City provides certain healthcare benefits for retired employees through various Council resolutions. The postemployment benefit plan is a single-employer plan administered by BlueCross BlueShield of Texas (BCBSTX). Employees who are permanent, full-time employees are eligible to participate at retirement. The City eliminated subsidization of the plan for individuals hired on or after January 1, 2010. No assets are accumulated in a trust that meets the criteria in GASB Statement 75.

B. Benefits Provided

For pre-65 retired employees hired before January 1, 2010, the City pays on average \$667 (not in thousands) per month. The plan is closed to employees hired January 1, 2010 and thereafter. For pre-Medicare retirees who qualify and choose the City health plan, the City pays approximately 50 percent of the actuarial cost and the retiree pays the other 50 percent. There were 1,186 pre-65 retired participants in the health plan at September 30, 2021, the latest data used for this evaluation. Post-Medicare retirees are offered two Medicare Advantage plans along with a Medicare Part D prescription drug plan. The City no longer subsidizes the Medicare Advantage plans for the retirees regardless of hire date. The City pays Part A premiums for a grandfathered group of employees hired before April 1, 1986. The City also pays retiree life insurance for a grandfathered group who retired before January 1, 2002.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 20. Other Postemployment Benefits (continued)

C. Employees Covered by Benefit Terms

At September 30, 2021, membership was as follows:

|                                                                          |                     |
|--------------------------------------------------------------------------|---------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 1,186               |
| Active employees                                                         | <u>4,774</u>        |
| Total participants                                                       | <u><u>5,960</u></u> |

D. Total OPEB Liability

The City's total OPEB liability of \$266,160 was measured as of September 30, 2021 and was determined by an actuarial valuation as of that date. The total OPEB liability has been allocated between governmental activities and business-type activities, based on the percentage of contribution by each. For governmental activities, the total OPEB liability was \$206,374 and for business-type activities, \$59,787, with allocations of \$34,614 to Dallas Water Utilities fund, \$4,091 to Convention Center, \$4,536 to Airport Revenues, \$11,147 to Sanitation, and \$5,399 to nonmajor enterprise funds.

E. Actuarial Assumptions

The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                   | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Salary Increases            | <b>Police and Fire:</b><br>2.5% to 3.25%, including inflation<br><b>Non-Uniformed:</b><br>3.0% to 8.25%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Discount Rate               | 2.19%, based on the 20-year yield for tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Mortality                   | <b>Uniform (pre-retirement):</b><br>Pub-2010 Public Safety Employee Amount-Weighted Table, set forward five years for males, projected generationally using Scale MP-2019.<br><b>Uniform (post-retirement):</b><br>Pub-2010 Public Safety Retiree Amount-Weighted Table set back one year for females, projected generationally using Scale MP-2019.<br><b>Non-Uniformed (pre-retirement):</b><br>Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019).<br><b>Non-Uniformed (post-retirement):</b><br>2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019) |
| Healthcare Cost Trend Rates | <b>Pre-65 Trend:</b><br>7.58% for fiscal year 2022 and trending down to an ultimate 3.94% using the Getzen model.<br><b>Post-65 Trend:</b><br>4.80% for fiscal year 2022 and trending down to an ultimate 3.94% using the Getzen model.                                                                                                                                                                                                                                                                                                                                                                                                 |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 20. Other Postemployment Benefits (continued)

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of an experience study on the healthcare-specific participation assumptions, plus assumption changes included in the September 30, 2021 valuation.

F. Changes to the Total OPEB Liability

|                                                    | Total OPEB<br>Liability |
|----------------------------------------------------|-------------------------|
| Balance at September 30, 2020                      | \$ 530,989              |
| Changes for the year:                              |                         |
| Service cost                                       | 14,023                  |
| Interest                                           | 12,940                  |
| Differences between expected and actual experience | (30,661)                |
| Changes in benefit terms                           | (255,621)               |
| Changes of assumptions                             | 12,863                  |
| Benefit payments                                   | (18,373)                |
| Net Changes                                        | (264,829)               |
| Balance at September 30, 2021                      | \$ 266,160              |

Changes of assumptions reflect the following changes: a change in the participation rate from 75 percent to 90 percent, changes in salary scales, turnover rates, retirement rates, mortality tables, mortality improvement tables and a decrease in the discount rate from 2.41 percent to 2.19 percent.

G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the total OPEB liability of the City, calculated using the discount rate of 2.19 percent, as well as what the City's total OPEB liability would be if it were calculated using discount rates that are 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current rates:

|                      | 1% Decrease | Current<br>Discount Rate | 1% Increase |
|----------------------|-------------|--------------------------|-------------|
| Total OPEB Liability | \$ 286,781  | \$ 266,160               | \$ 247,273  |

H. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the total OPEB liability of the City and what it would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

|                      | 1% Decrease | Healthcare Cost<br>Trend Rates | 1% Increase |
|----------------------|-------------|--------------------------------|-------------|
| Total OPEB Liability | \$ 242,248  | \$ 266,160                     | \$ 293,749  |

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 20. Other Postemployment Benefits (continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2021, the City recognized total OPEB expense of (\$236,737). At September 30, 2021, the City also reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                    | Deferred Outflows | Deferred Inflows |
|----------------------------------------------------|-------------------|------------------|
| Differences between expected and actual experience | \$ 1,334          | \$ 43,477        |
| Changes of assumptions                             | 44,091            | 33,975           |
| Total deferred outflows/inflows                    | \$ 45,425         | \$ 77,452        |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ending 9/30: | OPEB Expense |
|-------------------|--------------|
| 2022              | \$ (8,078)   |
| 2023              | (4,164)      |
| 2024              | (12,157)     |
| 2025              | (2,542)      |
| 2026              | (2,542)      |
| Thereafter        | (2,544)      |
| Total             | \$ (32,027)  |

Note 21. Subsequent Events

In October of 2021, the City issued Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021, in the amount of \$232.9 million, with a premium of \$27.7 million for a total of \$260.6 million. The average coupon interest rate on the bonds is 4.22%. The proceeds were used to refund \$260.8 million of Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2009. The bonds will mature on August 15, 2038.

In November of 2021, the City issued General Obligation Refunding and Improvement Bonds, Series 2021, in the amount of \$237.1 million, with a premium of \$32.7 million for a total of \$269.8 million. The average coupon interest rate on the bonds is 4.37%. The proceeds, combined with a City contribution of \$10 million, were used to refund \$91.6 million of General Obligation Bonds and to refund \$178 million of General Obligation Commercial Paper Notes. Additionally, \$6.9 million was placed in a project fund and the remaining amount was used for cost of issuance. The bonds will mature on February 15, 2042.

In November of 2021, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2021, in the amount of \$45.9 million, with a premium of \$9.3 million for a total of \$55.2 million. The average coupon interest rate on the certificates is 5%. The proceeds will be used to fund street improvements and cost of issuance. The bonds will mature on February 15, 2031.

In November of 2021, the City issued Equipment Acquisition Contractual Obligations, Series 2021, in the amount of \$26.9 million, with a premium of \$3.8 million for a total of \$30.7 million. The average coupon interest rate of the obligations is 5%. The obligations will mature on February 15, 2027.

In November of 2021 the City issued General Obligation Bonds, Taxable Series 2021, in the amount of \$3.135 million, with a premium of \$38 thousand for a total of \$3.173 million. The average coupon interest rate of the obligations is 1.78%. The proceeds will be used to fund improvements, economic development programs, and cost of issuance. The bonds mature on February 15, 2032.

From October 1, 2021, through the date of the independent auditors' report, the City issued \$18.3 million of general obligation commercial paper notes, with an average interest rate of 0.0917%.

From October 1, 2021, through the date of the independent auditors' report, the City issued \$47.2 million of Dallas Water Utilities commercial paper notes, Series F1, and \$26.7 million of Dallas Water Utilities commercial paper notes, Series G, with an average interest rate of 0.1424% and 0.1439%, respectively.

**CITY OF DALLAS, TEXAS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
September 30, 2021

Note 21. Subsequent Events (continued)

On October 7, 2021, S&P Global Ratings (S&P) revised the outlook to stable from negative and affirmed the 'A' rating on the City of Dallas' 2009 civic center convention complex revenue refunding and improvement bonds. At the same time, S&P assigned an 'A' rating to Dallas' \$236.5 million hotel occupancy tax revenue refunding bonds series 2021, which will refund the existing 2009 bonds. The outlook is stable.

On October 8, 2021, Fitch Ratings assigned an 'A+' rating to the \$236,595,000 City of Dallas, TX Hotel Occupancy Tax (HOT) Revenue Refunding Bonds, Series 2021. The outlook is stable.

On October 21, 2021, S&P Global Ratings affirmed its 'AA-' rating on the outstanding General Obligation bonds. The outlook is stable.

On October 26, 2021, Fitch Ratings affirmed the 'AA' rating on outstanding General Obligation debt. The outlook is stable.

On October 27, 2021, Kroll Bond Rating Agency (KBRA) affirmed the 'AA+' rating on the outstanding General Obligation debt. The outlook is stable.

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**CITY OF DALLAS, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**  
**Last Six Fiscal Years**  
**(Dollar amounts in thousands)**

|                                                                        | 2021         |                            |                                | 2020         |                            |                                | 2019         |                            |                                |
|------------------------------------------------------------------------|--------------|----------------------------|--------------------------------|--------------|----------------------------|--------------------------------|--------------|----------------------------|--------------------------------|
|                                                                        | ERF          | DPPF -<br>Combined<br>Plan | DPPF -<br>Supplemental<br>Plan | ERF          | DPPF -<br>Combined<br>Plan | DPPF -<br>Supplemental<br>Plan | ERF          | DPPF -<br>Combined<br>Plan | DPPF -<br>Supplemental<br>Plan |
| <b>Total Pension Liability</b>                                         |              |                            |                                |              |                            |                                |              |                            |                                |
| Service cost                                                           | \$ 118,452   | \$ 56,244                  | \$ 379                         | \$ 124,288   | \$ 49,156                  | \$ 212                         | \$ 84,843    | \$ 44,792                  | \$ 223                         |
| Interest                                                               | 330,348      | 324,046                    | 2,438                          | 325,766      | 318,703                    | 2,223                          | 332,011      | 318,536                    | 2,359                          |
| Changes of assumptions                                                 | 479,292      | 257,525                    | 1,559                          | (43,032)     | 155,569                    | 1,332                          | 1,020,969    | (31,460)                   | 28                             |
| Differences between expected and actual experience                     | (82,641)     | 70,548                     | 47                             | (7,819)      | 16,723                     | 3,007                          | 4,793        | (46,556)                   | (2,628)                        |
| Plan changes                                                           | -            | -                          | -                              | -            | -                          | -                              | -            | 16,091                     | 889                            |
| Benefit payments, including refunds                                    | (294,323)    | (317,951)                  | (2,778)                        | (288,445)    | (309,859)                  | (2,766)                        | (272,496)    | (297,081)                  | (2,708)                        |
| Net change                                                             | 551,128      | 390,412                    | 1,645                          | 110,758      | 230,292                    | 4,008                          | 1,170,120    | 4,322                      | (1,837)                        |
| Total Pension Liability, Beginning                                     | 5,658,725    | 4,731,960                  | 35,839                         | 5,547,967    | 4,501,668                  | 31,831                         | 4,377,847    | 4,497,346                  | 33,668                         |
| Total Pension Liability, Ending <sup>(a)</sup>                         | 6,209,853    | 5,122,372                  | 37,484                         | 5,658,725    | 4,731,960                  | 35,839                         | 5,547,967    | 4,501,668                  | 31,831                         |
| <b>Plan Fiduciary Net Position</b>                                     |              |                            |                                |              |                            |                                |              |                            |                                |
| Contributions - City                                                   | 61,615       | 161,950                    | 1,778                          | 62,177       | 155,721                    | 1,530                          | 60,924       | 149,357                    | 1,980                          |
| Contributions - Employee                                               | 58,359       | 57,305                     | 245                            | 58,314       | 52,268                     | 111                            | 56,772       | 49,332                     | 75                             |
| Net investment income                                                  | 229,105      | (8,928)                    | (123)                          | 550,942      | 124,260                    | 169                            | (167,783)    | 42,822                     | 1,220                          |
| Benefit payments, including refunds                                    | (294,322)    | (317,951)                  | (2,778)                        | (288,443)    | (309,861)                  | (2,766)                        | (272,496)    | (297,081)                  | (2,708)                        |
| Administrative expense                                                 | (5,700)      | (6,534)                    | (55)                           | (7,513)      | (6,445)                    | (55)                           | (7,485)      | (5,861)                    | (53)                           |
| Other changes                                                          | (393)        | -                          | -                              | 298          | -                          | -                              | 121          | -                          | -                              |
| Net change                                                             | 48,664       | (114,158)                  | (933)                          | 375,775      | 15,943                     | (1,011)                        | (329,947)    | (61,431)                   | 514                            |
| Plan Fiduciary Net Position, Beginning                                 | 3,658,089    | 2,057,857                  | 17,307                         | 3,282,314    | 2,041,914                  | 18,318                         | 3,612,261    | 2,103,345                  | 17,804                         |
| Plan Fiduciary Net Position, Ending <sup>(b)</sup>                     | 3,706,753    | 1,943,699                  | 16,374                         | 3,658,089    | 2,057,857                  | 17,307                         | 3,282,314    | 2,041,914                  | 18,318                         |
| City's Net Pension Liability <sup>(a) - (b)</sup>                      | \$ 2,503,100 | \$ 3,178,673               | \$ 21,110                      | \$ 2,000,636 | \$ 2,674,103               | \$ 18,532                      | \$ 2,265,653 | \$ 2,459,754               | \$ 13,513                      |
| Plan Fiduciary Net Position as a percentage of Total Pension Liability | 60%          | 38%                        | 44%                            | 65%          | 43%                        | 48%                            | 59%          | 45%                        | 58%                            |
| Covered payroll                                                        | \$ 428,824   | \$ 427,441                 | \$ 626                         | \$ 433,890   | \$ 396,955                 | \$ 584                         | \$ 423,723   | \$ 363,117                 | \$ 622                         |
| City's Net Pension Liability as a percentage of covered payroll        | 584%         | 744%                       | 3372%                          | 461%         | 674%                       | 3173%                          | 535%         | 677%                       | 2173%                          |

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



| 2018       |                            |                                | 2017        |                            |                                | 2016         |                            |                                | 2015*      |                            |                                |
|------------|----------------------------|--------------------------------|-------------|----------------------------|--------------------------------|--------------|----------------------------|--------------------------------|------------|----------------------------|--------------------------------|
| ERF        | DFFP -<br>Combined<br>Plan | DFFP -<br>Supplemental<br>Plan | ERF         | DFFP -<br>Combined<br>Plan | DFFP -<br>Supplemental<br>Plan | ERF          | DFFP -<br>Combined<br>Plan | DFFP -<br>Supplemental<br>Plan | ERF        | DFFP -<br>Combined<br>Plan | DFFP -<br>Supplemental<br>Plan |
| \$ 81,178  | \$ 148,552                 | \$ 111                         | \$ 133,457  | \$ 167,432                 | \$ 70                          | \$ 78,020    | \$ 125,441                 | \$ 36                          | \$ 62,065  | \$ 131,312                 | \$ 28                          |
| 325,620    | 348,171                    | 2,799                          | 305,826     | 360,567                    | 2,911                          | 313,850      | 359,023                    | 2,953                          | 290,948    | 369,408                    | 2,969                          |
| -          | (2,851,241)                | (479)                          | (1,227,079) | (712,004)                  | (917)                          | 1,238,431    | 908,988                    | (601)                          | 292,137    | -                          | -                              |
| (59,066)   | (134,665)                  | (1,435)                        | (38,327)    | (77,463)                   | 1,106                          | (26,829)     | 379,461                    | 929                            | (21,967)   | (4,453)                    | 336                            |
| -          | (1,167,597)                | (5,306)                        | -           | -                          | -                              | -            | -                          | -                              | -          | (329,794)                  | (526)                          |
| (261,690)  | (296,154)                  | (2,669)                        | (249,639)   | (825,092)                  | (5,912)                        | (239,960)    | (285,003)                  | (2,640)                        | (230,243)  | (245,932)                  | (3,415)                        |
| 86,042     | (3,952,934)                | (6,979)                        | (1,075,762) | (1,086,560)                | (2,742)                        | 1,363,512    | 1,487,910                  | 677                            | 392,940    | (79,459)                   | (608)                          |
| 4,291,805  | 8,450,280                  | 40,647                         | 5,367,567   | 9,536,840                  | 43,389                         | 4,004,055    | 8,048,930                  | 42,712                         | 3,611,115  | 8,128,389                  | 43,320                         |
| 4,377,847  | 4,497,346                  | 33,668                         | 4,291,805   | 8,450,280                  | 40,647                         | 5,367,567    | 9,536,840                  | 43,389                         | 4,004,055  | 8,048,930                  | 42,712                         |
| 58,966     | 126,318                    | 2,077                          | 56,130      | 119,345                    | 3,064                          | 50,721       | 114,886                    | 2,443                          | 45,833     | 109,792                    | 1,817                          |
| 55,175     | 32,977                     | 66                             | 53,436      | 25,518                     | 35                             | 50,742       | 25,676                     | 43                             | 46,536     | 29,333                     | 49                             |
| 413,511    | 98,911                     | 740                            | 294,918     | 164,791                    | 1,141                          | (53,344)     | (235,338)                  | (1,690)                        | 207,992    | (138,893)                  | (517)                          |
| (261,690)  | (296,154)                  | (2,669)                        | (249,639)   | (825,092)                  | (5,912)                        | (239,960)    | (285,003)                  | (2,640)                        | (230,243)  | (245,932)                  | (3,415)                        |
| (5,951)    | (8,089)                    | (69)                           | (5,343)     | (9,492)                    | (78)                           | (4,598)      | (8,417)                    | (61)                           | (4,150)    | (8,003)                    | (56)                           |
| 207        | (1,280)                    | (11)                           | 333         | (4,532)                    | (37)                           | 162          | (5,875)                    | (43)                           | 157        | (7,361)                    | (51)                           |
| 260,218    | (47,317)                   | 134                            | 149,835     | (529,462)                  | (1,787)                        | (196,277)    | (394,071)                  | (1,948)                        | 66,125     | (261,064)                  | (2,173)                        |
| 3,352,043  | 2,150,662                  | 17,670                         | 3,202,208   | 2,680,124                  | 19,457                         | 3,398,485    | 3,074,195                  | 21,405                         | 3,332,360  | 3,335,259                  | 23,578                         |
| 3,612,261  | 2,103,345                  | 17,804                         | 3,352,043   | 2,150,662                  | 17,670                         | 3,202,208    | 2,680,124                  | 19,457                         | 3,398,485  | 3,074,195                  | 21,405                         |
| \$ 765,586 | \$ 2,394,001               | \$ 15,864                      | \$ 939,762  | \$ 6,299,618               | \$ 22,977                      | \$ 2,165,359 | \$ 6,856,716               | \$ 23,932                      | \$ 605,570 | \$ 4,974,735               | \$ 21,307                      |
| 83%        | 47%                        | 53%                            | 78%         | 25%                        | 43%                            | 60%          | 28%                        | 45%                            | 85%        | 38%                        | 50%                            |
| \$ 421,269 | \$ 346,037                 | \$ 916                         | \$ 409,433  | \$ 357,414                 | \$ 525                         | \$ 393,186   | \$ 365,210                 | \$ 725                         | \$ 353,650 | \$ 383,006                 | \$ 557                         |
| 182%       | 692%                       | 1732%                          | 230%        | 1763%                      | 4377%                          | 551%         | 1877%                      | 3301%                          | 171%       | 1299%                      | 3825%                          |

**CITY OF DALLAS, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS**  
**Last Ten Fiscal Years**  
**(Dollar amounts in thousands)**

|                                                                      | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u>    |
|----------------------------------------------------------------------|-------------|-------------|-------------|----------------|
| <b>Employees Retirement Fund</b>                                     |             |             |             |                |
| Actuarially determined contribution                                  | \$ 96,558   | \$ 92,567   | \$ 85,945   | \$ 91,977      |
| Contributions in relation to the actuarially determined contribution | \$ 61,892   | \$ 61,798   | \$ 62,462   | \$ 60,589      |
| Contribution deficiency (excess)                                     | \$ 34,666   | \$ 30,769   | \$ 23,483   | \$ 31,388      |
| Covered payroll                                                      | \$ 437,707  | \$ 435,198  | \$ 434,064  | \$ 420,754     |
| Contributions as a percentage of covered payroll                     | 14%         | 14%         | 14%         | 14%            |
| <b>Dallas Police and Fire Pension - Combined Plan</b>                |             |             |             |                |
| Actuarially determined contribution                                  | \$ 223,152  | \$ 193,748  | \$ 157,368  | \$ 157,997     |
| Contributions in relation to the actuarially determined contribution | \$ 165,330  | \$ 161,928  | \$ 151,850  | \$ 151,850     |
| Contribution deficiency (excess)                                     | \$ 57,822   | \$ 31,820   | \$ 5,518    | \$ 6,147       |
| Statutorily required contribution                                    | N/A         | N/A         | N/A         | N/A            |
| Contributions in relation to the statutorily required contribution   | N/A         | N/A         | N/A         | N/A            |
| Contribution deficiency (excess)                                     | N/A         | N/A         | N/A         | N/A            |
| Covered payroll                                                      | \$ 431,045  | \$ 414,790  | \$ 375,759  | \$ 348,011 (1) |
| Contributions as a percentage of covered payroll                     | 38%         | 39%         | 40%         | 44%            |
| <b>Dallas Police and Fire Pension - Supplemental Plan</b>            |             |             |             |                |
| Actuarially determined contribution                                  | \$ 2,099    | \$ 1,777    | \$ 1,881    | \$ 2,274       |
| Contributions in relation to the actuarially determined contribution | \$ 2,099    | \$ 1,777    | \$ 1,881    | \$ 2,274       |
| Covered payroll                                                      | \$ 646      | \$ 584      | \$ 723      | \$ 916         |
| Contributions as a percentage of covered payroll                     | 325%        | 304%        | 260%        | 248%           |

(1) Beginning in September 2017, the Texas House Bill 3158 required that contributions to the Plan be based computation pay. Per the House Bill, computation pay is based on the biweekly rate of pay of a member, educational incentive pay, longevity pay, and city service incentive pay. Overtime, assignment pay, and lump sum payments are not included.

| <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$ 88,547   | \$ 81,838   | \$ 68,100   | \$ 62,756   | \$ 54,289   | \$ 37,822   |
| \$ 58,045   | \$ 56,987   | \$ 49,135   | \$ 44,816   | \$ 35,515   | \$ 28,917   |
| \$ 30,502   | \$ 24,851   | \$ 18,965   | \$ 17,940   | \$ 18,774   | \$ 8,905    |
| \$ 405,062  | \$ 389,706  | \$ 376,421  | \$ 357,887  | \$ 336,483  | \$ 317,551  |
| 14%         | 15%         | 13%         | 13%         | 11%         | 9%          |
| \$ 202,167  | N/A         | N/A         | N/A         | N/A         | N/A         |
| \$ 120,351  | N/A         | N/A         | N/A         | N/A         | N/A         |
| \$ 81,816   | N/A         | N/A         | N/A         | N/A         | N/A         |
| N/A         | \$ 118,508  | \$ 113,026  | \$ 108,268  | \$ 105,753  | \$ 102,431  |
| N/A         | \$ 118,508  | \$ 113,026  | \$ 108,268  | \$ 105,753  | \$ 102,431  |
| N/A         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| \$ 427,867  | \$ 432,082  | \$ 414,373  | \$ 378,000  | \$ 361,000  | \$ 349,000  |
| 28%         | 27%         | 27%         | 29%         | 29%         | 29%         |
| \$ 2,087    | \$ 3,064    | \$ 2,443    | \$ 1,817    | \$ 1,936    | \$ 1,954    |
| \$ 2,087    | \$ 3,064    | \$ 2,443    | \$ 1,817    | \$ 1,936    | \$ 1,954    |
| \$ 525      | \$ 725      | \$ 556      | \$ 521      | \$ 450      | \$ 621      |
| 398%        | 423%        | 439%        | 349%        | 430%        | 315%        |

CITY OF DALLAS, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS  
 Last 10 Fiscal Years

Employees' Retirement Fund

| Valuation date            | 12/31/20                                                                                                                                                                                                                                                                                                                                                                                                                                           | 12/31/19 | 12/31/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 12/31/17 | 12/31/16 | 12/31/15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 12/31/14 | 12/31/13 | 12/31/12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 12/31/11 |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Timing                    | The actuarially determined contribution rate is effective October 1 after the valuation date.                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Actuarial cost method     | Entry age normal.                                                                                                                                                                                                                                                                                                                                                                                                                                  |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Amortization method       | 30-year open group projection. The City ordinance authorizing the plan specifies that the rate may not change from year-to-year if the calculated rate is less than 300 basis points different from the current rate.                                                                                                                                                                                                                              |          | 30-year open amortization period level percentage of payroll. The City ordinance authorizing the plan specifies that the rate may not change from year-to-year if the calculated rate is less than 300 basis points different from the current rate.                                                                                                                                                                                                                                                                                                                                                                                                                                |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Asset valuation method    | 5-year smoothed market value of assets.                                                                                                                                                                                                                                                                                                                                                                                                            |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Inflation                 | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                              |          | 2.75%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |          | 3%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Salary increases          | 3.0% to 8.25%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                 |          | 3.25% to 6.25%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |          | 3.5% to 7%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Discount rate             | 5.27%                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5.93%    | 5.98%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7.75%    | 8.00%    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 8.25%    |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Cost of Living Adjustment | The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum change per year is 5% for Tier A and 3% for Tier B members.                                                                                              |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |          | The greater of (a) the percentage of change in the price index for October of the current year over October of the previous year, up to 5%, or (b) the percentage of annual average change in the price index for the 12-month period ending with the effective date of the adjustment. The maximum change per year is 5% for Tier A and 3% for Tier B members.                                                                                                                                                                                      |          |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
| Mortality                 | <b>For actives:</b><br>Pub-2010 Mortality Table for General Employees projected using Scale UMP (Ultimate MP-2019).<br><b>For healthy retirees:</b><br>2019 Texas Municipal Retirees Mortality Table projected using Scale UMP (Ultimate MP-2019).<br><b>For all disabled lives:</b><br>2019 Texas Municipal Retirees Mortality Table, set forward four years for males and three years for females, projected using Scale UMP (Ultimate MP-2019). |          | <b>For actives:</b><br>Males - RP-2000 Employee Mortality Table for male employees, set forward 4 years.<br>Females - RP-2000 Employee Mortality Table for female employees, set back 5 years.<br><b>For healthy retirees:</b><br>Males - RP-2000 Combined with Blue Collar adjustment for male annuitants, with a 109% multiplier and fully generational mortality using improvement scale BB<br>Females - RP-2000 Combined with Blue Collar adjustment for female annuitants, with a 103% multiplier and fully generational mortality using improvement scale BB<br><b>For all disabled lives:</b><br>RP-2000 Disabled Mortality Table for male annuitants, set forward one year. |          |          | <b>For actives:</b><br>Males - RP-2000 Healthy Mortality Table for male employees, set forward 4 years.<br>Females - RP-2000 Healthy Mortality Table for female employees, set back 5 years.<br><b>For healthy retirees:</b><br>Males - RP-2000 Healthy Mortality Table for male annuitants, projected to 2007 using mortality improvement scale BB, set forward two years.<br>P2000 Healthy Mortality Table for female annuitants.<br><b>For all disabled lives:</b><br>RP-2000 Disabled Mortality Table for male annuitants, set forward one year. |          |          | <b>For actives:</b><br>Males - RP-2000 Healthy Mortality Table for male employees, set forward 4 years.<br>Females - RP-2000 Healthy Mortality Table for female employees, set back 5 years.<br><b>For healthy retirees:</b><br>Males - RP-2000 Healthy Mortality Table for male annuitants, projected to 2007 using mortality improvement scale AA, set forward two years.<br>P2000 Healthy Mortality Table for female annuitants.<br><b>For all disabled lives:</b><br>RP-2000 Disabled Mortality Table for male annuitants, set forward one year. |          |

CITY OF DALLAS, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 NOTES TO SCHEDULE OF CITY CONTRIBUTIONS TO PENSION PLANS (Continued)  
 Last 10 Fiscal Years

**Dallas Police and Fire Pension - Combined Plan**

| Valuation date            | 01/01/21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 01/01/20 | 01/01/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 01/01/18 | 01/01/17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 01/01/16 | 01/01/15                                                                       | 01/01/14 | 01/01/13 | 01/01/12 |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------|----------|----------|----------|
| Timing                    | The actuarially determined contribution is included in the report for informational purposes only, beginning in January 1, 2017.                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                |          |          |          |
| Actuarial cost method     | Entry age normal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                |          |          |          |
| Amortization method       | Level percentage of payroll.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                |          |          |          |
| Asset valuation method    | Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.                                                                                                                                                                                                                                         |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                |          |          |          |
| Inflation                 | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2.75%    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                |          |          |          |
| Salary increases          | 2.5% to 3.25%, including inflation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          | 2.0% to 5.0%, including inflation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          | 3.0% to 5.2%, including inflation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          | 2.75%                                                                          |          |          |          |
| Discount rate             | 6.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 7%       | 7.25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          | 7.25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          | 7.25%                                                                          |          |          |          |
| Cost of Living Adjustment | Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2063.                                                                                                                                                                                                                                                                                                                                                                                                                     |          | Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2050.                                                                                                                                                                                                                                                                                                                                                  |          | Ad hoc granted by the Board when the Plan is 70 percent funded and other financial benchmarks have been met.                                                                                                                                                                                                                                                                                                                                                                                           |          | 0% prior to October 1, 2049. 2% on original benefit beginning October 1, 2049. |          |          |          |
| Mortality                 | <b>For actives:</b><br>Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.<br><b>For healthy retirees:</b><br>Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.<br><b>For all disabled lives:</b><br>Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019. |          | <b>For actives:</b><br>RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015<br><b>For healthy retirees:</b><br>RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015<br><b>For all disabled lives:</b><br>Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015. |          | <b>For actives:</b><br>Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015.<br><b>For healthy retirees:</b><br>RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015.<br><b>For all disabled lives:</b><br>Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015. |          |                                                                                |          |          |          |

**Dallas Police and Fire Pension - Supplemental Plan**

| Valuation date            | 01/01/21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 01/01/20 | 01/01/19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 01/01/18 | 01/01/17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 01/01/16 | 01/01/15                                                                                                                                                                                                                                                                                                                                                                           | 01/01/14 | 01/01/13                        | 01/01/12 |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------|----------|
| Timing                    | The actuarially determined contribution is due September 30 after the valuation date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                                                                                                                                                                                                                                    |          |                                 |          |
| Actuarial cost method     | Entry age normal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                                                                                                                                                                                                                                    |          |                                 |          |
| Amortization method       | Level percentage of payroll.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                                                                                                                                                                                                                                    |          |                                 |          |
| Asset valuation method    | Market value of assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                                                                                                                                                                                                                                    |          |                                 |          |
| Inflation                 | 2.50%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2.75%    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                                                                                                                                                                                                                                    |          |                                 |          |
| Salary increases          | 2.50% to 3.25%, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          | 2.0% to 5.0%, including inflation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          | 3.0% to 5.2%, including inflation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          | 2.75%                                                                                                                                                                                                                                                                                                                                                                              |          | 4% - 9.64%, including inflation |          |
| Discount rate             | 6.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 7%       | 7.25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |          |                                                                                                                                                                                                                                                                                                                                                                                    |          | 8.50%                           |          |
| Cost of Living Adjustment | Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2063.                                                                                                                                                                                                                                                                                                                                                                                                                     |          | Ad hoc granted by the Board when the Plan is 70 percent funded after accounting for the COLA. 2.0% of original benefit, beginning October 1, 2050.                                                                                                                                                                                                                                                                                                                                                  |          | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          | 4% for members hired on or before December 31, 2006. New members hired after December 31, 2006 are not eligible for an automatic increase.                                                                                                                                                                                                                                         |          |                                 |          |
| Mortality                 | <b>For actives:</b><br>Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019.<br><b>For healthy retirees:</b><br>Pub-2010 Public Safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019.<br><b>For all disabled lives:</b><br>Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for both males and females, projected generationally using Scale MP-2019. |          | <b>For actives:</b><br>RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015<br><b>For healthy retirees:</b><br>RP-2014 Blue Collar Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015<br><b>For all disabled lives:</b><br>Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015. |          | <b>For actives:</b><br>Sex distinct RP-2014 Employee Mortality Table, set back two years for males, projected generationally using Scale MP-2015.<br><b>For healthy retirees:</b><br>RP-2014 Healthy Annuitant Mortality Table, set forward two years for females, projected generationally using Scale MP-2015.<br><b>For all disabled lives:</b><br>Sex distinct RP-2014 Disabled Retiree Mortality Table, set back three years for males and females, projected generationally using Scale MP-2015. |          | <b>For actives:</b><br>RP-2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA.<br><b>For healthy retirees:</b><br>RP-2000 Combined Healthy Mortality Table projected ten years beyond the valuation date using Scale AA.<br><b>For all disabled lives:</b><br>RP-2000 Combined Healthy Mortality Table with a one-year set forward. |          |                                 |          |

**CITY OF DALLAS, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION (1)**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL LIABILITY**  
**AND RELATED RATIOS**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**Last Four Fiscal Years**  
**(Dollar amounts in thousands)**

|                                                                  | 2021              | 2020              | 2019              | 2018 (2)          |
|------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability                                             |                   |                   |                   |                   |
| Service cost                                                     | \$ 14,023         | \$ 16,491         | \$ 14,006         | \$ 14,817         |
| Interest                                                         | 12,940            | 15,775            | 19,813            | 18,420            |
| Changes of assumptions                                           | 12,863            | (47,877)          | 82,662            | (26,244)          |
| Differences between expected and actual experience               | (30,661)          | (198)             | (42,693)          | 6,669             |
| Changes in benefit terms                                         | (255,621)         | -                 | -                 | -                 |
| Benefit payments                                                 | (18,373)          | (18,573)          | (19,537)          | (21,343)          |
| Net change                                                       | (264,829)         | (34,382)          | 54,251            | (7,681)           |
| Total OPEB Liability, Beginning                                  | 530,989           | 565,371           | 511,120           | 518,801           |
| Total OPEB Liability, Ending                                     | <u>\$ 266,160</u> | <u>\$ 530,989</u> | <u>\$ 565,371</u> | <u>\$ 511,120</u> |
| Covered employee payroll                                         | \$ 983,482        | \$ 959,102        | \$ 914,916        | \$ 877,768        |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 27%               | 55%               | 62%               | 58%               |

(1) There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

(2) This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



“Our Product is Service”  
Empathy | Ethics | Excellence | Equity

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Community Development Fund – to account for funds received by the City of Dallas pursuant to the Community Development Act of 1974, as amended, and grant funds for community development type programs.

Health and Human Services Fund – to account for private and grant funds received for public health and human services programs.

Library Fund – to account for private and grant funds received for acquisition of library materials and expansion of library services.

Police Fund – to account for private and grant funds received for crime prevention and law enforcement programs.

Recreation Fund – to account for private and grant funds received for summer recreation and other recreation programs.

Transportation Fund – to account for private and grant funds received for transportation studies and construction.

Management Improvement Fund – to account for private and grant funds received for management productivity improvements.

Public Improvement Districts Fund – to account for special assessments restricted for public improvement districts.

Storm Water Operations Fund – to account for the administration and operational activities of the Storm Water Program. Financing is provided by a Storm Water fee.

Municipal Fund – to account for private contributions restricted to the provision of various employee and citizen municipal purposes.

General Citizen Fund – to account for private contributions restricted to the provision of various general governmental projects.

Arts and Cultural Fund – to account for private contributions restricted for the financing arts and cultural activities.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets which are not financed by Enterprise Funds, Internal Service Funds, and Trust Funds.

Neighborhood Projects – to account for construction of neighborhood facilities and paving projects.

Parks – to account for construction of parks, playgrounds, and recreational facilities.

Streets and Drainage – to account for construction of streets and storm sewers.

Buildings – to account for construction of City-owned buildings

Transportation – to account for construction of traffic signals and controls.



## **NONMAJOR GOVERNMENTAL FUNDS**

### **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs that is, for the benefit of the government or its citizenry.

Samuell Park – to account for the private donation by Dr. W.W. Samuell. The income from this fund is restricted to the operation and improvement of Samuell Park.

Grauwylers Memorial – to account for the private donation by Mrs. Emma H. Grauwylers. The income from the trust is to be used to improve and beautify Grauwylers Park.

Craddock Park – to account for the private donation by Mr. and Mrs. L. Craddock. The earnings from the trust are to be used for improving and maintaining Craddock Park.

Martin Weiss Park – to account for the private donations by Mr. and Mrs. Martin Weiss, the earnings from which are restricted to the use for further improvements of the Martin Weiss Park.

Hale Davis – to account for private donations by Hale Davis, restricted for municipal purposes.

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2021  
(in thousands)

|                                                             | Special Revenue          |                              |                 |                  |                  |
|-------------------------------------------------------------|--------------------------|------------------------------|-----------------|------------------|------------------|
|                                                             | Community<br>Development | Health and<br>Human Services | Library         | Police           | Recreation       |
| <b>Assets</b>                                               |                          |                              |                 |                  |                  |
| Pooled cash and cash equivalents                            | \$ 6,777                 | \$ -                         | \$ 2,326        | \$ 1,757         | \$ 38,810        |
| Other investments, at fair value                            | -                        | -                            | 1,000           | -                | -                |
| Receivables:                                                |                          |                              |                 |                  |                  |
| Notes                                                       | 40,825                   | -                            | -               | -                | 43               |
| Special assessments-paving notes                            | -                        | -                            | -               | -                | -                |
| Accounts                                                    | 2,114                    | -                            | 10              | 869              | 38               |
| Accrued interest                                            | 2                        | -                            | 1               | 2                | 40               |
| Allowance for uncollectible accounts                        | (16,404)                 | -                            | -               | -                | -                |
| Due from other governments                                  | 7,655                    | 4,471                        | -               | 9,265            | 186              |
| Prepaid expenses                                            | 78                       | -                            | -               | -                | -                |
| Restricted cash and cash equivalents                        | -                        | -                            | -               | -                | -                |
| Notes receivable from other funds                           | -                        | -                            | -               | -                | -                |
| Total assets                                                | <u>41,047</u>            | <u>4,471</u>                 | <u>3,337</u>    | <u>11,893</u>    | <u>39,117</u>    |
| <b>Liabilities, deferred inflows, and<br/>fund balances</b> |                          |                              |                 |                  |                  |
| <b>Liabilities</b>                                          |                          |                              |                 |                  |                  |
| Accrued payroll                                             | 161                      | 236                          | -               | 46               | 6                |
| Accounts payable                                            | 2,867                    | 268                          | 141             | 2,210            | 116              |
| Due to other governments                                    | -                        | -                            | -               | -                | -                |
| Due to other funds                                          | -                        | 3,037                        | -               | -                | -                |
| Unearned revenue                                            | 4                        | 43                           | -               | 1,303            | 490              |
| Construction accounts payable                               | -                        | -                            | -               | -                | -                |
| Notes payable to other funds                                | -                        | -                            | -               | -                | 5,165            |
| Customer deposits                                           | -                        | -                            | -               | -                | -                |
| Contracts payable                                           | -                        | -                            | -               | -                | -                |
| Other liabilities                                           | 103                      | -                            | 75              | 79               | 29               |
| Total liabilities                                           | <u>3,135</u>             | <u>3,584</u>                 | <u>216</u>      | <u>3,638</u>     | <u>5,806</u>     |
| <b>Deferred inflows of resources</b>                        |                          |                              |                 |                  |                  |
| Unavailable revenue                                         | 26,531                   | -                            | -               | -                | 59               |
| <b>Fund balances</b>                                        |                          |                              |                 |                  |                  |
| Nonspendable                                                | -                        | -                            | -               | -                | -                |
| Restricted                                                  | 11,381                   | 887                          | 3,121           | 8,255            | -                |
| Committed                                                   | -                        | -                            | -               | -                | 33,252           |
| Total fund balances                                         | <u>11,381</u>            | <u>887</u>                   | <u>3,121</u>    | <u>8,255</u>     | <u>33,252</u>    |
| Total liabilities, deferred inflows,<br>and fund balance    | <u>\$ 41,047</u>         | <u>\$ 4,471</u>              | <u>\$ 3,337</u> | <u>\$ 11,893</u> | <u>\$ 39,117</u> |

| Transportation | Management Improvement | Public Improvement Districts | Storm Water Operations | Municipal | General Citizen | Arts and Cultural | Total Nonmajor Special Revenue Funds |
|----------------|------------------------|------------------------------|------------------------|-----------|-----------------|-------------------|--------------------------------------|
| \$ 19,280      | \$ 238,941             | \$ 1,363                     | \$ 76,864              | \$ 39,545 | \$ 2,475        | \$ 4,071          | \$ 432,209                           |
| -              | -                      | -                            | -                      | -         | -               | 2,235             | 3,235                                |
| -              | -                      | -                            | -                      | 21,753    | -               | -                 | 62,621                               |
| -              | -                      | -                            | -                      | -         | -               | -                 | -                                    |
| -              | 480                    | 1,386                        | 14,784                 | 993       | -               | -                 | 20,674                               |
| 4              | 51                     | -                            | 6                      | 327       | 1               | 1                 | 435                                  |
| -              | -                      | (133)                        | (5,911)                | (3,118)   | -               | -                 | (25,566)                             |
| 835            | -                      | -                            | -                      | -         | -               | -                 | 22,412                               |
| -              | 57                     | -                            | -                      | -         | -               | -                 | 135                                  |
| -              | -                      | -                            | -                      | -         | -               | -                 | -                                    |
| -              | -                      | -                            | -                      | -         | -               | -                 | -                                    |
| 20,119         | 239,529                | 2,616                        | 85,743                 | 59,500    | 2,476           | 6,307             | 516,155                              |
| -              | 7                      | -                            | 408                    | 136       | -               | -                 | 1,000                                |
| 209            | 3,275                  | 2,575                        | 4,579                  | 168       | 2               | 8                 | 16,418                               |
| -              | 1                      | -                            | -                      | -         | -               | -                 | 1                                    |
| -              | -                      | -                            | -                      | -         | -               | -                 | 3,037                                |
| -              | 208,472                | -                            | -                      | 952       | -               | -                 | 211,264                              |
| -              | -                      | -                            | -                      | -         | -               | -                 | -                                    |
| -              | -                      | -                            | -                      | -         | -               | -                 | 5,165                                |
| -              | -                      | -                            | -                      | -         | -               | -                 | -                                    |
| -              | -                      | -                            | -                      | -         | -               | -                 | -                                    |
| 29             | 147                    | -                            | 508                    | -         | 8               | -                 | 978                                  |
| 238            | 211,902                | 2,575                        | 5,495                  | 1,256     | 10              | 8                 | 237,863                              |
| -              | -                      | -                            | 2,209                  | 19,369    | -               | -                 | 48,168                               |
| -              | -                      | -                            | -                      | -         | -               | -                 | -                                    |
| 19,881         | 27,627                 | 41                           | 78,039                 | 38,875    | 2,466           | 6,299             | 196,872                              |
| -              | -                      | -                            | -                      | -         | -               | -                 | 33,252                               |
| 19,881         | 27,627                 | 41                           | 78,039                 | 38,875    | 2,466           | 6,299             | 230,124                              |
| \$ 20,119      | \$ 239,529             | \$ 2,616                     | \$ 85,743              | \$ 59,500 | \$ 2,476        | \$ 6,307          | \$ 516,155                           |

continued

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
September 30, 2021  
(in thousands)

|                                                             | Capital Projects         |                  |                         |                   |                     | Total<br>Nonmajor<br>Capital Project<br>Funds |
|-------------------------------------------------------------|--------------------------|------------------|-------------------------|-------------------|---------------------|-----------------------------------------------|
|                                                             | Neighborhood<br>Projects | Parks            | Streets and<br>Drainage | Building          | Trans-<br>portation |                                               |
| <b>Assets</b>                                               |                          |                  |                         |                   |                     |                                               |
| Pooled cash and cash equivalents                            | \$ -                     | \$ -             | \$ -                    | \$ -              | \$ -                | \$ -                                          |
| Other investments, at fair value                            | -                        | 65               | 3,512                   | 28                | 1                   | 3,606                                         |
| Receivables:                                                |                          |                  |                         |                   |                     |                                               |
| Notes                                                       | 1,768                    | -                | -                       | 1,500             | -                   | 3,268                                         |
| Special assessments-paving notes                            | -                        | -                | 6,114                   | -                 | -                   | 6,114                                         |
| Accounts                                                    | 22                       | 2,239            | 28                      | 337               | -                   | 2,626                                         |
| Accrued interest                                            | 32                       | 5                | 21                      | 41                | 56                  | 155                                           |
| Allowance for uncollectible accounts                        | -                        | -                | (4,852)                 | (1,500)           | -                   | (6,352)                                       |
| Due from other governments                                  | -                        | 902              | -                       | 3,696             | 14,150              | 18,748                                        |
| Prepaid expenses                                            | -                        | 6,008            | -                       | -                 | -                   | 6,008                                         |
| Restricted cash and cash equivalents                        | 162,569                  | 59,513           | 158,154                 | 126,819           | 261,296             | 768,351                                       |
| Notes receivable from other funds                           | -                        | -                | 4,161                   | -                 | -                   | 4,161                                         |
| Total assets                                                | <u>164,391</u>           | <u>68,732</u>    | <u>167,138</u>          | <u>130,921</u>    | <u>275,503</u>      | <u>806,685</u>                                |
| <b>Liabilities, deferred inflows, and<br/>fund balances</b> |                          |                  |                         |                   |                     |                                               |
| <b>Liabilities</b>                                          |                          |                  |                         |                   |                     |                                               |
| Accrued payroll                                             | -                        | -                | -                       | -                 | -                   | -                                             |
| Accounts payable                                            | -                        | -                | -                       | -                 | -                   | -                                             |
| Due to other governments                                    | -                        | -                | -                       | -                 | -                   | -                                             |
| Due to other funds                                          | 3,043                    | -                | -                       | 44                | -                   | 3,087                                         |
| Unearned revenue                                            | -                        | 1,003            | -                       | 98                | 13,010              | 14,111                                        |
| Construction accounts payable                               | 196                      | 3,060            | 8,461                   | 2,566             | 6,871               | 21,154                                        |
| Notes payable to other funds                                | 4,491                    | -                | -                       | -                 | -                   | 4,491                                         |
| Customer deposits                                           | -                        | -                | 9                       | 57                | -                   | 66                                            |
| Contracts payable                                           | 1,933                    | 8,283            | 16,043                  | 4,818             | 7,002               | 38,079                                        |
| Other liabilities                                           | -                        | -                | -                       | -                 | -                   | -                                             |
| Total liabilities                                           | <u>9,663</u>             | <u>12,346</u>    | <u>24,513</u>           | <u>7,583</u>      | <u>26,883</u>       | <u>80,988</u>                                 |
| <b>Deferred inflows of resources</b>                        |                          |                  |                         |                   |                     |                                               |
| Unavailable revenue                                         | 1,768                    | -                | 1,248                   | -                 | -                   | 3,016                                         |
| <b>Fund balances</b>                                        |                          |                  |                         |                   |                     |                                               |
| Nonspendable                                                | -                        | -                | -                       | -                 | -                   | -                                             |
| Restricted                                                  | 152,960                  | 56,386           | 141,377                 | 123,338           | 248,620             | 722,681                                       |
| Committed                                                   | -                        | -                | -                       | -                 | -                   | -                                             |
| Total fund balances                                         | <u>152,960</u>           | <u>56,386</u>    | <u>141,377</u>          | <u>123,338</u>    | <u>248,620</u>      | <u>722,681</u>                                |
| Total liabilities, deferred inflows,<br>and fund balance    | <u>\$ 164,391</u>        | <u>\$ 68,732</u> | <u>\$ 167,138</u>       | <u>\$ 130,921</u> | <u>\$ 275,503</u>   | <u>\$ 806,685</u>                             |

**CITY OF DALLAS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
September 30, 2021  
(in thousands)

|                                                             | Permanent Funds |                       |                  |                         |               | Total<br>Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------------------------------------------|-----------------|-----------------------|------------------|-------------------------|---------------|-----------------------------|--------------------------------------------|
|                                                             | Samuell<br>Park | Grauwylor<br>Memorial | Craddock<br>Park | Martin<br>Weiss<br>Park | Hale<br>Davis |                             |                                            |
| <b>Assets</b>                                               |                 |                       |                  |                         |               |                             |                                            |
| Pooled cash and cash equivalents                            | \$ -            | \$ -                  | \$ -             | \$ -                    | \$ -          | \$ -                        | \$ 432,209                                 |
| Other investments, at fair value                            | 9,859           | 155                   | 1,431            | 138                     | 465           | 12,048                      | 18,889                                     |
| Receivables:                                                |                 |                       |                  |                         |               |                             |                                            |
| Notes                                                       | -               | -                     | -                | -                       | -             | -                           | 65,889                                     |
| Special assessments-paving notes                            | -               | -                     | -                | -                       | -             | -                           | 6,114                                      |
| Accounts                                                    | -               | -                     | -                | -                       | -             | -                           | 23,300                                     |
| Accrued interest                                            | -               | -                     | -                | -                       | -             | -                           | 590                                        |
| Allowance for uncollectible accounts                        | -               | -                     | -                | -                       | -             | -                           | (31,918)                                   |
| Due from other governments                                  | -               | -                     | -                | -                       | -             | -                           | 41,160                                     |
| Prepaid expenses                                            | -               | -                     | -                | -                       | -             | -                           | 6,143                                      |
| Restricted cash and cash equivalents                        | -               | -                     | -                | -                       | -             | -                           | 768,351                                    |
| Notes receivable from other funds                           | -               | -                     | -                | -                       | -             | -                           | 4,161                                      |
| Total assets                                                | <u>9,859</u>    | <u>155</u>            | <u>1,431</u>     | <u>138</u>              | <u>465</u>    | <u>12,048</u>               | <u>1,334,888</u>                           |
| <b>Liabilities, deferred inflows, and<br/>fund balances</b> |                 |                       |                  |                         |               |                             |                                            |
| <b>Liabilities</b>                                          |                 |                       |                  |                         |               |                             |                                            |
| Accrued payroll                                             | -               | -                     | -                | -                       | -             | -                           | 1,000                                      |
| Accounts payable                                            | -               | -                     | -                | -                       | -             | -                           | 16,418                                     |
| Due to other governments                                    | -               | -                     | -                | -                       | -             | -                           | 1                                          |
| Due to other funds                                          | -               | -                     | -                | -                       | -             | -                           | 6,124                                      |
| Unearned revenue                                            | -               | -                     | -                | -                       | -             | -                           | 225,375                                    |
| Construction accounts payable                               | -               | -                     | -                | -                       | -             | -                           | 21,154                                     |
| Notes payable to other funds                                | -               | -                     | -                | -                       | -             | -                           | 9,656                                      |
| Customer deposits                                           | -               | -                     | -                | -                       | -             | -                           | 66                                         |
| Contracts payable                                           | -               | -                     | -                | -                       | -             | -                           | 38,079                                     |
| Other liabilities                                           | -               | -                     | -                | -                       | -             | -                           | 978                                        |
| Total liabilities                                           | <u>-</u>        | <u>-</u>              | <u>-</u>         | <u>-</u>                | <u>-</u>      | <u>-</u>                    | <u>318,851</u>                             |
| <b>Deferred inflows of resources</b>                        |                 |                       |                  |                         |               |                             |                                            |
| Unavailable revenue                                         | -               | -                     | -                | -                       | -             | -                           | 51,184                                     |
| <b>Fund balances</b>                                        |                 |                       |                  |                         |               |                             |                                            |
| Nonspendable                                                | 9,859           | 155                   | 1,431            | 138                     | 465           | 12,048                      | 12,048                                     |
| Restricted                                                  | -               | -                     | -                | -                       | -             | -                           | 919,553                                    |
| Committed                                                   | -               | -                     | -                | -                       | -             | -                           | 33,252                                     |
| Total fund balances                                         | <u>9,859</u>    | <u>155</u>            | <u>1,431</u>     | <u>138</u>              | <u>465</u>    | <u>12,048</u>               | <u>964,853</u>                             |
| Total liabilities, deferred inflows,<br>and fund balance    | <u>\$ 9,859</u> | <u>\$ 155</u>         | <u>\$ 1,431</u>  | <u>\$ 138</u>           | <u>\$ 465</u> | <u>\$ 12,048</u>            | <u>\$ 1,334,888</u>                        |

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                              | Special Revenue          |                              |                 |                 |                  |
|--------------------------------------------------------------|--------------------------|------------------------------|-----------------|-----------------|------------------|
|                                                              | Community<br>Development | Health and<br>Human Services | Library         | Police          | Recreation       |
| Revenues:                                                    |                          |                              |                 |                 |                  |
| Ad valorem tax                                               | \$ -                     | \$ -                         | \$ -            | \$ -            | \$ -             |
| Tax increment financing, intergovernmental                   | -                        | -                            | -               | -               | -                |
| Franchise fees                                               | -                        | -                            | -               | -               | -                |
| Licenses and permits                                         | -                        | -                            | -               | -               | 2,375            |
| Intergovernmental                                            | 47,404                   | 16,677                       | 132             | 16,962          | 794              |
| Customer charges                                             | -                        | -                            | -               | -               | -                |
| Service to others                                            | 2,415                    | 8                            | 12              | 37              | 3,724            |
| Fines and forfeitures                                        | -                        | 37                           | -               | 298             | -                |
| Investment income                                            | -                        | 2                            | 4               | 15              | 54               |
| Special assessments                                          | -                        | -                            | -               | -               | -                |
| Contributions and gifts                                      | 122                      | 252                          | 393             | 391             | 985              |
| Confiscated money awards                                     | -                        | -                            | -               | 1,820           | -                |
| Other revenues                                               | 216                      | -                            | -               | -               | 7                |
| Total revenues                                               | <u>50,157</u>            | <u>16,976</u>                | <u>541</u>      | <u>19,523</u>   | <u>7,939</u>     |
| Expenditures:                                                |                          |                              |                 |                 |                  |
| Current                                                      |                          |                              |                 |                 |                  |
| General government                                           | 16,313                   | -                            | -               | -               | -                |
| Public safety                                                | -                        | -                            | -               | 19,523          | -                |
| Code enforcement                                             | -                        | -                            | -               | -               | -                |
| Environmental and health services                            | -                        | 16,492                       | -               | -               | -                |
| Streets, public works, and transportation                    | -                        | -                            | -               | -               | -                |
| Equipment and building services                              | -                        | -                            | -               | -               | -                |
| Culture and recreation                                       | 494                      | -                            | 166             | -               | 3,195            |
| Human services                                               | 30,196                   | -                            | -               | -               | -                |
| Debt service:                                                |                          |                              |                 |                 |                  |
| Principal                                                    | 3,785                    | -                            | -               | -               | -                |
| Interest and fiscal charges                                  | 282                      | -                            | -               | -               | 223              |
| Capital outlay                                               | 1,447                    | 679                          | 1,830           | 5,805           | 3,881            |
| Total expenditures                                           | <u>52,517</u>            | <u>17,171</u>                | <u>1,996</u>    | <u>25,328</u>   | <u>7,299</u>     |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(2,360)</u>           | <u>(195)</u>                 | <u>(1,455)</u>  | <u>(5,805)</u>  | <u>640</u>       |
| Other financing sources (uses):                              |                          |                              |                 |                 |                  |
| Transfers in                                                 | 1,407                    | -                            | -               | 191             | 2,435            |
| Transfers out                                                | (114)                    | (415)                        | -               | -               | -                |
| Premium on bonds issued                                      | -                        | -                            | -               | -               | -                |
| Issuance of certificates of obligation                       | -                        | -                            | -               | -               | -                |
| Issuance of general obligation bonds                         | -                        | -                            | -               | -               | -                |
| Inception of capital lease                                   | -                        | -                            | -               | -               | -                |
| Proceeds from sale of capital assets                         | -                        | -                            | -               | -               | -                |
| Issuance of notes                                            | -                        | -                            | -               | -               | -                |
| Total other financing sources (uses)                         | <u>1,293</u>             | <u>(415)</u>                 | <u>-</u>        | <u>191</u>      | <u>2,435</u>     |
| Net change in fund balances                                  | <u>(1,067)</u>           | <u>(610)</u>                 | <u>(1,455)</u>  | <u>(5,614)</u>  | <u>3,075</u>     |
| Fund balances, beginning of year                             | <u>12,448</u>            | <u>1,497</u>                 | <u>4,576</u>    | <u>13,869</u>   | <u>30,177</u>    |
| Fund balances, end of year                                   | <u>\$ 11,381</u>         | <u>\$ 887</u>                | <u>\$ 3,121</u> | <u>\$ 8,255</u> | <u>\$ 33,252</u> |

| Transportation   | Management Improvement | Public Improvement Districts | Storm Water Operations | Municipal        | General Citizen | Arts and Cultural | Total Nonmajor Special Revenue Funds |
|------------------|------------------------|------------------------------|------------------------|------------------|-----------------|-------------------|--------------------------------------|
| \$ -             | \$ -                   | \$ -                         | \$ -                   | \$ -             | \$ -            | \$ -              | \$ -                                 |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| -                | -                      | -                            | 53                     | -                | -               | -                 | 2,428                                |
| 3,597            | 149,834                | -                            | -                      | 1,673            | -               | -                 | 237,073                              |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| 2,229            | 2,025                  | -                            | 68,677                 | 5,506            | 13              | 149               | 84,795                               |
| 1                | 761                    | -                            | -                      | -                | -               | -                 | 1,097                                |
| 24               | 162                    | 3                            | 46                     | 52               | 3               | 12                | 377                                  |
| -                | -                      | 27,766                       | -                      | -                | -               | -                 | 27,766                               |
| 190              | 339                    | -                            | -                      | 615              | 83              | -                 | 3,370                                |
| -                | -                      | -                            | -                      | -                | -               | -                 | 1,820                                |
| 10               | 1,007                  | -                            | -                      | 25               | -               | -                 | 1,265                                |
| <u>6,051</u>     | <u>154,128</u>         | <u>27,769</u>                | <u>68,776</u>          | <u>7,871</u>     | <u>99</u>       | <u>161</u>        | <u>359,991</u>                       |
| -                | 83,134                 | 27,744                       | 48,639                 | 14,673           | 560             | -                 | 191,063                              |
| -                | 29,142                 | -                            | -                      | -                | -               | -                 | 48,665                               |
| -                | 6                      | -                            | -                      | -                | -               | -                 | 6                                    |
| -                | -                      | -                            | -                      | -                | -               | -                 | 16,492                               |
| 2,427            | 2,184                  | -                            | -                      | -                | -               | -                 | 4,611                                |
| -                | 10,611                 | -                            | -                      | -                | -               | -                 | 10,611                               |
| -                | 2,871                  | -                            | -                      | -                | -               | 273               | 6,999                                |
| -                | 7,394                  | -                            | -                      | -                | -               | -                 | 37,590                               |
| -                | -                      | -                            | -                      | -                | -               | -                 | 3,785                                |
| -                | -                      | -                            | -                      | -                | -               | -                 | 505                                  |
| 600              | 23,099                 | -                            | 15,690                 | -                | -               | -                 | 53,031                               |
| <u>3,027</u>     | <u>158,441</u>         | <u>27,744</u>                | <u>64,329</u>          | <u>14,673</u>    | <u>560</u>      | <u>273</u>        | <u>373,358</u>                       |
| <u>3,024</u>     | <u>(4,313)</u>         | <u>25</u>                    | <u>4,447</u>           | <u>(6,802)</u>   | <u>(461)</u>    | <u>(112)</u>      | <u>(13,367)</u>                      |
| 475              | 715                    | -                            | -                      | 8,252            | -               | -                 | 13,475                               |
| -                | -                      | -                            | (879)                  | (2,157)          | -               | -                 | (3,565)                              |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| -                | -                      | -                            | -                      | -                | -               | -                 | -                                    |
| <u>475</u>       | <u>715</u>             | <u>-</u>                     | <u>(879)</u>           | <u>6,095</u>     | <u>-</u>        | <u>-</u>          | <u>9,910</u>                         |
| <u>3,499</u>     | <u>(3,598)</u>         | <u>25</u>                    | <u>3,568</u>           | <u>(707)</u>     | <u>(461)</u>    | <u>(112)</u>      | <u>(3,457)</u>                       |
| <u>16,382</u>    | <u>31,225</u>          | <u>16</u>                    | <u>74,471</u>          | <u>39,582</u>    | <u>2,927</u>    | <u>6,411</u>      | <u>233,581</u>                       |
| <u>\$ 19,881</u> | <u>\$ 27,627</u>       | <u>\$ 41</u>                 | <u>\$ 78,039</u>       | <u>\$ 38,875</u> | <u>\$ 2,466</u> | <u>\$ 6,299</u>   | <u>\$ 230,124</u>                    |

continued

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                           | Capital Projects         |                  |                         |                   |
|-----------------------------------------------------------|--------------------------|------------------|-------------------------|-------------------|
|                                                           | Neighborhood<br>Projects | Parks            | Streets and<br>Drainage | Building          |
| <b>Revenues:</b>                                          |                          |                  |                         |                   |
| Ad valorem tax                                            | \$ 94,790                | \$ -             | \$ -                    | \$ -              |
| Tax increment financing, intergovernmental                | 11,136                   | -                | -                       | -                 |
| Franchise fees                                            | -                        | -                | 10,685                  | -                 |
| Licenses and permits                                      | -                        | -                | -                       | -                 |
| Intergovernmental                                         | -                        | 5,377            | -                       | 3,974             |
| Customer charges                                          | -                        | -                | -                       | -                 |
| Service to others                                         | 434                      | 2,298            | 704                     | -                 |
| Fines and forfeitures                                     | -                        | -                | -                       | -                 |
| Investment income                                         | 249                      | (4)              | 63                      | 192               |
| Special assessments                                       | -                        | -                | -                       | -                 |
| Contributions and gifts                                   | 25,329                   | 54               | 101                     | 643               |
| Confiscated money awards                                  | -                        | -                | -                       | -                 |
| Other revenues                                            | -                        | 15               | 2,895                   | 15                |
| Total revenues                                            | <u>131,938</u>           | <u>7,740</u>     | <u>14,448</u>           | <u>4,824</u>      |
| <b>Expenditures:</b>                                      |                          |                  |                         |                   |
| <b>Current</b>                                            |                          |                  |                         |                   |
| General government                                        | 91,910                   | -                | -                       | 8,786             |
| Public safety                                             | -                        | -                | -                       | -                 |
| Code enforcement                                          | -                        | -                | -                       | -                 |
| Environmental and health services                         | -                        | -                | -                       | -                 |
| Streets, public works, and transportation                 | -                        | -                | 29,169                  | 388               |
| Equipment and building services                           | -                        | -                | -                       | 547               |
| Culture and recreation                                    | -                        | 4,906            | -                       | 231               |
| Human services                                            | -                        | -                | -                       | -                 |
| <b>Debt service:</b>                                      |                          |                  |                         |                   |
| Principal                                                 | -                        | -                | -                       | -                 |
| Interest and fiscal charges                               | -                        | 26               | 72                      | (41)              |
| Capital outlay                                            | 11,764                   | 59,889           | 76,867                  | 75,597            |
| Total expenditures                                        | <u>103,674</u>           | <u>64,821</u>    | <u>106,108</u>          | <u>85,508</u>     |
| Excess (deficiency) of revenues over (under) expenditures | <u>28,264</u>            | <u>(57,081)</u>  | <u>(91,660)</u>         | <u>(80,684)</u>   |
| <b>Other financing sources (uses):</b>                    |                          |                  |                         |                   |
| Transfers in                                              | -                        | 18,346           | 11,936                  | 39                |
| Transfers out                                             | (475)                    | (158)            | -                       | (3,577)           |
| Premium on bonds issued                                   | -                        | 452              | 1,254                   | 3,922             |
| Issuance of certificates of obligation                    | -                        | -                | -                       | 24,565            |
| Issuance of general obligation bonds                      | -                        | 3,574            | 9,918                   | 2,591             |
| Inception of capital lease                                | -                        | -                | -                       | 30,995            |
| Proceeds from sale of capital assets                      | -                        | 8,180            | -                       | -                 |
| Issuance of notes                                         | 6,605                    | 49,485           | 90,948                  | 8,555             |
| Total other financing sources (uses)                      | <u>6,130</u>             | <u>79,879</u>    | <u>114,056</u>          | <u>67,090</u>     |
| Net change in fund balance                                | <u>34,394</u>            | <u>22,798</u>    | <u>22,396</u>           | <u>(13,594)</u>   |
| Fund balances, beginning of year                          | <u>118,566</u>           | <u>33,588</u>    | <u>118,981</u>          | <u>136,932</u>    |
| Fund balances, end of year                                | <u>\$ 152,960</u>        | <u>\$ 56,386</u> | <u>\$ 141,377</u>       | <u>\$ 123,338</u> |



| <u>Trans-<br/>portation</u> | <u>Total<br/>Nonmajor<br/>Capital Project<br/>Funds</u> |
|-----------------------------|---------------------------------------------------------|
| \$ -                        | \$ 94,790                                               |
| -                           | 11,136                                                  |
| -                           | 10,685                                                  |
| -                           | -                                                       |
| 3,734                       | 13,085                                                  |
| -                           | -                                                       |
| -                           | 3,436                                                   |
| -                           | -                                                       |
| 352                         | 852                                                     |
| -                           | -                                                       |
| -                           | 26,127                                                  |
| -                           | -                                                       |
| -                           | 2,925                                                   |
| <u>4,086</u>                | <u>163,036</u>                                          |
| -                           | 100,696                                                 |
| -                           | -                                                       |
| -                           | -                                                       |
| -                           | -                                                       |
| 3,860                       | 33,417                                                  |
| -                           | 547                                                     |
| -                           | 5,137                                                   |
| -                           | -                                                       |
| -                           | -                                                       |
| -                           | 57                                                      |
| <u>88,032</u>               | <u>312,149</u>                                          |
| <u>91,892</u>               | <u>452,003</u>                                          |
| <u>(87,806)</u>             | <u>(288,967)</u>                                        |
| -                           | 30,321                                                  |
| -                           | (4,210)                                                 |
| -                           | 5,628                                                   |
| -                           | 24,565                                                  |
| -                           | 16,083                                                  |
| -                           | 30,995                                                  |
| -                           | 8,180                                                   |
| <u>4,083</u>                | <u>159,676</u>                                          |
| <u>4,083</u>                | <u>271,238</u>                                          |
| <u>(83,723)</u>             | <u>(17,729)</u>                                         |
| <u>332,343</u>              | <u>740,410</u>                                          |
| <u>\$ 248,620</u>           | <u>\$ 722,681</u>                                       |

continued

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (continued)**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                           | Permanent Funds |                       |                  |
|-----------------------------------------------------------|-----------------|-----------------------|------------------|
|                                                           | Samuell<br>Park | Grauwyler<br>Memorial | Craddock<br>Park |
| <b>Revenues:</b>                                          |                 |                       |                  |
| Ad valorem tax                                            | \$ -            | \$ -                  | \$ -             |
| Tax increment financing, intergovernmental                | -               | -                     | -                |
| Franchise fees                                            | -               | -                     | -                |
| Licenses and permits                                      | -               | -                     | -                |
| Intergovernmental                                         | -               | -                     | -                |
| Service to others                                         | -               | -                     | -                |
| Fines and forfeits                                        | -               | -                     | -                |
| Investment income                                         | 1,866           | 24                    | 218              |
| Special assessments                                       | -               | -                     | -                |
| Contributions and gifts                                   | -               | -                     | -                |
| Confiscated money awards                                  | -               | -                     | -                |
| Other revenues                                            | -               | -                     | -                |
| Total revenues                                            | <u>1,866</u>    | <u>24</u>             | <u>218</u>       |
| <b>Expenditures:</b>                                      |                 |                       |                  |
| <b>Current</b>                                            |                 |                       |                  |
| General government                                        | -               | -                     | -                |
| Public safety                                             | -               | -                     | -                |
| Code enforcement                                          | -               | -                     | -                |
| Environment and health services                           | -               | -                     | -                |
| Streets, public works, and transportation                 | -               | -                     | -                |
| Equipment and building services                           | -               | -                     | -                |
| Culture and recreation                                    | -               | -                     | -                |
| Human services                                            | -               | -                     | -                |
| <b>Debt service:</b>                                      |                 |                       |                  |
| Principal                                                 | -               | -                     | -                |
| Interest and fiscal charges                               | -               | -                     | -                |
| Capital outlay                                            | -               | -                     | -                |
| Total expenditures                                        | <u>-</u>        | <u>-</u>              | <u>-</u>         |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,866</u>    | <u>24</u>             | <u>218</u>       |
| <b>Other financing sources (uses):</b>                    |                 |                       |                  |
| Transfers in                                              | -               | -                     | -                |
| Transfers out                                             | (472)           | -                     | -                |
| Premium on bonds issued                                   | -               | -                     | -                |
| Issuance of certificates of obligation                    | -               | -                     | -                |
| Issuance of general obligation bonds                      | -               | -                     | -                |
| Inception of capital lease                                | -               | -                     | -                |
| Proceeds from sale of capital assets                      | -               | -                     | -                |
| Issuance of notes                                         | -               | -                     | -                |
| Total other financing sources (uses)                      | <u>(472)</u>    | <u>-</u>              | <u>-</u>         |
| Net change in fund balances                               | <u>1,394</u>    | <u>24</u>             | <u>218</u>       |
| Fund balances, beginning of year                          | <u>8,465</u>    | <u>131</u>            | <u>1,213</u>     |
| Fund balances, end of year                                | <u>\$ 9,859</u> | <u>\$ 155</u>         | <u>\$ 1,431</u>  |

| Martin<br>Weiss<br>Park | Hale<br>Davis | Total<br>Permanent<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------|---------------|-----------------------------|--------------------------------------------|
| \$ -                    | \$ -          | \$ -                        | \$ 94,790                                  |
| -                       | -             | -                           | 11,136                                     |
| -                       | -             | -                           | 10,685                                     |
| -                       | -             | -                           | 2,428                                      |
| -                       | -             | -                           | 250,158                                    |
| -                       | -             | -                           | 88,231                                     |
| -                       | -             | -                           | 1,097                                      |
| 21                      | 81            | 2,210                       | 3,439                                      |
| -                       | -             | -                           | 27,766                                     |
| -                       | -             | -                           | 29,497                                     |
| -                       | -             | -                           | 1,820                                      |
| -                       | -             | -                           | 4,190                                      |
| <u>21</u>               | <u>81</u>     | <u>2,210</u>                | <u>525,237</u>                             |
| -                       | -             | -                           | 291,759                                    |
| -                       | -             | -                           | 48,665                                     |
| -                       | -             | -                           | 6                                          |
| -                       | -             | -                           | 16,492                                     |
| -                       | -             | -                           | 38,028                                     |
| -                       | -             | -                           | 11,158                                     |
| -                       | -             | -                           | 12,136                                     |
| -                       | -             | -                           | 37,590                                     |
| -                       | -             | -                           | 3,785                                      |
| -                       | -             | -                           | 562                                        |
| -                       | -             | -                           | 365,180                                    |
| -                       | -             | -                           | 825,361                                    |
| <u>21</u>               | <u>81</u>     | <u>2,210</u>                | <u>(300,124)</u>                           |
| -                       | -             | -                           | 43,796                                     |
| -                       | (16)          | (488)                       | (8,263)                                    |
| -                       | -             | -                           | 5,628                                      |
| -                       | -             | -                           | 24,565                                     |
| -                       | -             | -                           | 16,083                                     |
| -                       | -             | -                           | 30,995                                     |
| -                       | -             | -                           | 8,180                                      |
| -                       | -             | -                           | 159,676                                    |
| -                       | (16)          | (488)                       | 280,660                                    |
| <u>21</u>               | <u>65</u>     | <u>1,722</u>                | <u>(19,464)</u>                            |
| <u>117</u>              | <u>400</u>    | <u>10,326</u>               | <u>984,317</u>                             |
| <u>\$ 138</u>           | <u>\$ 465</u> | <u>\$ 12,048</u>            | <u>\$ 964,853</u>                          |

## **NONMAJOR ENTERPRISE FUNDS**

To account for operations which are financed and operated in a manner similar to private business enterprise.

Municipal Radio – to account for City-owned radio broadcast services.

Building Inspection – to account for construction inspection services within the Dallas city limits.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
September 30, 2021  
(in thousands)

|                                                                         | Municipal<br>Radio | Building<br>Inspection | Total<br>Nonmajor<br>Enterprise<br>Funds |
|-------------------------------------------------------------------------|--------------------|------------------------|------------------------------------------|
| <b>Assets</b>                                                           |                    |                        |                                          |
| Current assets:                                                         |                    |                        |                                          |
| Pooled cash and cash equivalents                                        | \$ 539             | \$ 64,521              | \$ 65,060                                |
| Receivables:                                                            |                    |                        |                                          |
| Accounts                                                                | 444                | 63                     | 507                                      |
| Accrued interest                                                        | -                  | 13                     | 13                                       |
| Allowance for uncollectible accounts                                    | (14)               | -                      | (14)                                     |
| Total current assets                                                    | <u>969</u>         | <u>64,597</u>          | <u>65,566</u>                            |
| Capital assets:                                                         |                    |                        |                                          |
| Land                                                                    | -                  | 900                    | 900                                      |
| Buildings                                                               | 544                | -                      | 544                                      |
| Improvements other than buildings                                       | 273                | -                      | 273                                      |
| Equipment                                                               | 2,509              | 2,829                  | 5,338                                    |
| Accumulated depreciation                                                | (2,691)            | (1,986)                | (4,677)                                  |
| Total capital assets                                                    | <u>635</u>         | <u>1,743</u>           | <u>2,378</u>                             |
| Total assets                                                            | <u>1,604</u>       | <u>66,340</u>          | <u>67,944</u>                            |
| <b>Deferred outflows of resources</b>                                   |                    |                        |                                          |
| Deferred loss on refunding                                              | 4                  | 26                     | 30                                       |
| Deferred outflows of resources related to pensions                      | 1,298              | 29,841                 | 31,139                                   |
| Deferred outflows of resources related to other postemployment benefits | 27                 | 966                    | 993                                      |
| Total deferred outflows of resources                                    | <u>1,329</u>       | <u>30,833</u>          | <u>32,162</u>                            |
| <b>Liabilities</b>                                                      |                    |                        |                                          |
| Current liabilities:                                                    |                    |                        |                                          |
| Accrued payroll                                                         | 30                 | 612                    | 642                                      |
| Accounts payable                                                        | 11                 | 463                    | 474                                      |
| Compensated absences                                                    | 40                 | 1,210                  | 1,250                                    |
| Pension obligation bonds - current                                      | 136                | 1,000                  | 1,136                                    |
| Other liabilities                                                       | 6                  | 2,964                  | 2,970                                    |
| Unearned revenue                                                        | -                  | 9,409                  | 9,409                                    |
| Accrued bond interest payable                                           | 3                  | 18                     | 21                                       |
| Total current liabilities                                               | <u>226</u>         | <u>15,676</u>          | <u>15,902</u>                            |
| Noncurrent liabilities:                                                 |                    |                        |                                          |
| Accreted interest on pension obligation bonds                           | 662                | 4,859                  | 5,521                                    |
| Pension obligation bonds                                                | 1,141              | 7,947                  | 9,088                                    |
| Total long-term debt                                                    | <u>1,803</u>       | <u>12,806</u>          | <u>14,609</u>                            |
| Other noncurrent liabilities                                            |                    |                        |                                          |
| Compensated absences                                                    | 38                 | 1,131                  | 1,169                                    |
| Other postemployment benefits                                           | 142                | 5,257                  | 5,399                                    |
| Net pension liability                                                   | 6,126              | 95,900                 | 102,026                                  |
| Total other noncurrent liabilities                                      | <u>6,306</u>       | <u>102,288</u>         | <u>108,594</u>                           |
| Total long-term liabilities                                             | <u>8,109</u>       | <u>115,094</u>         | <u>123,203</u>                           |
| Total liabilities                                                       | <u>8,335</u>       | <u>130,770</u>         | <u>139,105</u>                           |
| <b>Deferred inflows of resources</b>                                    |                    |                        |                                          |
| Deferred inflows of resources related to pensions                       | 176                | 4,463                  | 4,639                                    |
| Deferred inflows of resources related to other postemployment benefits  | 55                 | 1,653                  | 1,708                                    |
| Total deferred inflows of resources                                     | <u>231</u>         | <u>6,116</u>           | <u>6,347</u>                             |
| <b>Net position</b>                                                     |                    |                        |                                          |
| Net investment in capital assets                                        | 639                | 1,743                  | 2,382                                    |
| Unrestricted (deficit)                                                  | (6,272)            | (41,456)               | (47,728)                                 |
| Total net position (deficit)                                            | <u>\$ (5,633)</u>  | <u>\$ (39,713)</u>     | <u>\$ (45,346)</u>                       |

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended September 30, 2021  
(in thousands)

|                                           | Municipal<br>Radio | Building<br>Inspection | Total<br>Nonmajor<br>Enterprise<br>Funds |
|-------------------------------------------|--------------------|------------------------|------------------------------------------|
| Operating revenues:                       |                    |                        |                                          |
| Customer charges                          | \$ 1,229           | \$ 35,669              | \$ 36,898                                |
| Other revenues                            | 65                 | 98                     | 163                                      |
| Total operating revenues                  | <u>1,294</u>       | <u>35,767</u>          | <u>37,061</u>                            |
| Operating expenses:                       |                    |                        |                                          |
| Personnel services                        | 1,322              | 30,594                 | 31,916                                   |
| Supplies and materials                    | 57                 | 481                    | 538                                      |
| Contractual and other services            | 546                | 11,356                 | 11,902                                   |
| Depreciation                              | 85                 | 131                    | 216                                      |
| Total operating expenses                  | <u>2,010</u>       | <u>42,562</u>          | <u>44,572</u>                            |
| Operating income (loss)                   | <u>(716)</u>       | <u>(6,795)</u>         | <u>(7,511)</u>                           |
| Nonoperating revenues (expenses):         |                    |                        |                                          |
| Investment income                         | -                  | 75                     | 75                                       |
| Interest on bonds and notes               | (3)                | (22)                   | (25)                                     |
| Total nonoperating revenues (expenses)    | <u>(3)</u>         | <u>53</u>              | <u>50</u>                                |
| Loss before contributions and transfers   | <u>(719)</u>       | <u>(6,742)</u>         | <u>(7,461)</u>                           |
| Transfers out                             | <u>-</u>           | <u>(139)</u>           | <u>(139)</u>                             |
| Change in net position                    | <u>(719)</u>       | <u>(6,881)</u>         | <u>(7,600)</u>                           |
| Net position (deficit), beginning of year | <u>(4,914)</u>     | <u>(32,832)</u>        | <u>(37,746)</u>                          |
| Net position (deficit), end of year       | <u>\$ (5,633)</u>  | <u>\$ (39,713)</u>     | <u>\$ (45,346)</u>                       |

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                                                                          | Municipal<br>Radio | Building<br>Inspection | Total<br>Nonmajor<br>Enterprise<br>Funds |
|----------------------------------------------------------------------------------------------------------|--------------------|------------------------|------------------------------------------|
| Cash flows from operating activities:                                                                    |                    |                        |                                          |
| Cash received from customers                                                                             | \$ 1,149           | \$ 38,535              | \$ 39,684                                |
| Cash payments to suppliers for goods and services                                                        | (101)              | (370)                  | (471)                                    |
| Cash payments to employees for services                                                                  | (877)              | (23,530)               | (24,407)                                 |
| Cash payments for contractual services                                                                   | (544)              | (10,798)               | (11,342)                                 |
| Other operating cash receipts (payments)                                                                 | 65                 | 98                     | 163                                      |
| Net cash provided by (used in) operating activities                                                      | <u>(308)</u>       | <u>3,935</u>           | <u>3,627</u>                             |
| Cash flows from non capital financing activities:                                                        |                    |                        |                                          |
| Principal paid on pension obligation bonds                                                               | (126)              | (929)                  | (1,055)                                  |
| Interest paid on pension obligation bonds                                                                | (22)               | (163)                  | (185)                                    |
| Transfers to other funds                                                                                 | -                  | (139)                  | (139)                                    |
| Net cash provided by (used in) non capital financing activities                                          | <u>(148)</u>       | <u>(1,231)</u>         | <u>(1,379)</u>                           |
| Cash flows from capital and related financing activities:                                                |                    |                        |                                          |
| Acquisition and construction of capital assets                                                           | -                  | (190)                  | (190)                                    |
| Proceeds from pension obligation bonds                                                                   | 316                | 2,323                  | 2,639                                    |
| Payment to refunded bond escrow agent                                                                    | (315)              | (2,310)                | (2,625)                                  |
| Bond issuance costs                                                                                      | (1)                | (13)                   | (14)                                     |
| Net cash provided by (used in) capital and related financing activities                                  | <u>-</u>           | <u>(190)</u>           | <u>(190)</u>                             |
| Cash flows from investing activities:                                                                    |                    |                        |                                          |
| Investment income                                                                                        | 2                  | 115                    | 117                                      |
| Net cash provided by (used in) investing activities                                                      | <u>2</u>           | <u>115</u>             | <u>117</u>                               |
| Net increase (decrease) in cash and cash equivalents                                                     | (454)              | 2,629                  | 2,175                                    |
| Cash and cash equivalents, beginning of year                                                             | 993                | 61,892                 | 62,885                                   |
| Cash and cash equivalents, end of year                                                                   | <u>\$ 539</u>      | <u>\$ 64,521</u>       | <u>\$ 65,060</u>                         |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:        |                    |                        |                                          |
| Operating income (loss)                                                                                  | <u>\$ (716)</u>    | <u>\$ (6,795)</u>      | <u>\$ (7,511)</u>                        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                    |                        |                                          |
| Depreciation                                                                                             | 85                 | 131                    | 216                                      |
| Change in assets and liabilities                                                                         |                    |                        |                                          |
| (Increase) Decrease in accounts and other receivables                                                    | (80)               | 260                    | 180                                      |
| (Increase) Decrease in deferred outflows for other postemployment benefits                               | 3                  | 150                    | 153                                      |
| (Increase) Decrease in deferred outflows for pension contributions                                       | (109)              | (5,687)                | (5,796)                                  |
| Increase (Decrease) in accounts payable                                                                  | (44)               | 111                    | 67                                       |
| Increase (Decrease) in accrued payroll                                                                   | 14                 | 87                     | 101                                      |
| Increase (Decrease) in compensated absences                                                              | (5)                | (137)                  | (142)                                    |
| Increase (Decrease) in unearned revenue                                                                  | -                  | 2,606                  | 2,606                                    |
| Increase (Decrease) in other post employment benefits                                                    | (187)              | (5,548)                | (5,735)                                  |
| Increase (Decrease) in net pension liability                                                             | 853                | 20,532                 | 21,385                                   |
| Increase (Decrease) in other liabilities                                                                 | 2                  | 558                    | 560                                      |
| Increase (Decrease) in deferred inflows for other postemployment benefits                                | 3                  | 51                     | 54                                       |
| Increase (Decrease) in deferred inflows for pension contributions                                        | (127)              | (2,384)                | (2,511)                                  |
| Total adjustments                                                                                        | <u>408</u>         | <u>10,730</u>          | <u>11,138</u>                            |
| Net cash provided by (used in) operating activities                                                      | <u>\$ (308)</u>    | <u>\$ 3,935</u>        | <u>\$ 3,627</u>                          |
| Current Assets:                                                                                          |                    |                        |                                          |
| Pooled cash and cash equivalents                                                                         | <u>\$ 539</u>      | <u>\$ 64,521</u>       | <u>\$ 65,060</u>                         |
| Total cash and cash equivalents end of year                                                              | <u>\$ 539</u>      | <u>\$ 64,521</u>       | <u>\$ 65,060</u>                         |
| Noncash investing, capital, and financing activities:                                                    |                    |                        |                                          |
| Premium/discount amortization                                                                            | \$ (14)            | \$ (104)               | \$ (118)                                 |
| Accretion on capital appreciation bonds                                                                  | (6)                | (41)                   | (47)                                     |
| Amortization of deferred gain/loss on refunding                                                          | 1                  | 14                     | 15                                       |

## **INTERNAL SERVICE FUNDS**

Equipment Services Fund – to account for the cost of providing vehicles, vehicle maintenance, and fuel and lubrication to other City departments.

Communication Equipment Services Fund – to account for the cost of providing communication services to other City Departments.

Office Systems Fund – to account for the cost of providing office supplies, printing, copying, and mailing services to other City Departments.

Information Systems Fund – to account for the cost of providing data processing and programming services to other City departments.

Risk Funds – to account for the cost of providing risk financing and insurance-related activities to other City departments.

Bond Program Administration Fund – to account for the cost of managing the City's general obligation bond program.



**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
September 30, 2021

|                                                                         | Equipment<br>Services     | Communication<br>Equipment<br>Services | Office<br>Services     | Information<br>Systems    | Risk<br>Funds             | Bond<br>Program<br>Administration | Total                      |
|-------------------------------------------------------------------------|---------------------------|----------------------------------------|------------------------|---------------------------|---------------------------|-----------------------------------|----------------------------|
| <b>Assets</b>                                                           |                           |                                        |                        |                           |                           |                                   |                            |
| Current assets:                                                         |                           |                                        |                        |                           |                           |                                   |                            |
| Pooled cash and cash equivalents                                        | \$ 18,500                 | \$ 2,027                               | \$ 5,187               | \$ 39,281                 | \$ 78,890                 | \$ 1,005                          | \$ 144,890                 |
| Receivables:                                                            |                           |                                        |                        |                           |                           |                                   |                            |
| Accounts                                                                | -                         | -                                      | -                      | 39                        | 567                       | -                                 | 606                        |
| Accrued interest                                                        | -                         | -                                      | 1                      | 6                         | 15                        | -                                 | 22                         |
| Inventories, at cost                                                    | 3,559                     | 238                                    | 100                    | -                         | -                         | -                                 | 3,897                      |
| Prepaid expenses                                                        | -                         | -                                      | -                      | -                         | 29                        | -                                 | 29                         |
| Other assets                                                            | -                         | -                                      | -                      | -                         | 449                       | -                                 | 449                        |
| Total current assets                                                    | <u>22,059</u>             | <u>2,265</u>                           | <u>5,288</u>           | <u>39,326</u>             | <u>79,950</u>             | <u>1,005</u>                      | <u>149,893</u>             |
| Capital assets:                                                         |                           |                                        |                        |                           |                           |                                   |                            |
| Land                                                                    | 1,696                     | -                                      | -                      | -                         | -                         | -                                 | 1,696                      |
| Buildings                                                               | 2,772                     | 1,663                                  | -                      | -                         | -                         | -                                 | 4,435                      |
| Improvements other than buildings                                       | 365                       | 456                                    | -                      | 248                       | -                         | -                                 | 1,069                      |
| Infrastructure                                                          | 1,137                     | 685                                    | -                      | -                         | -                         | -                                 | 1,822                      |
| Equipment                                                               | 77,457                    | 15,230                                 | 210                    | 21,603                    | 336                       | 8                                 | 114,844                    |
| Accumulated depreciation                                                | (65,903)                  | (17,305)                               | (210)                  | (19,330)                  | (336)                     | (1)                               | (103,085)                  |
| Total capital assets                                                    | <u>17,524</u>             | <u>729</u>                             | <u>-</u>               | <u>2,521</u>              | <u>-</u>                  | <u>7</u>                          | <u>20,781</u>              |
| Total assets                                                            | <u><u>39,583</u></u>      | <u><u>2,994</u></u>                    | <u><u>5,288</u></u>    | <u><u>41,847</u></u>      | <u><u>79,950</u></u>      | <u><u>1,012</u></u>               | <u><u>170,674</u></u>      |
| <b>Deferred outflows of resources</b>                                   |                           |                                        |                        |                           |                           |                                   |                            |
| Deferred outflows of resources related to pensions                      | 20,750                    | 2,433                                  | 719                    | 25,446                    | 5,441                     | 15,172                            | 69,961                     |
| Deferred outflows of resources related to other postemployment benefits | 792                       | 56                                     | 25                     | 580                       | 168                       | 481                               | 2,102                      |
| Total deferred outflows of resources                                    | <u>21,542</u>             | <u>2,489</u>                           | <u>744</u>             | <u>26,026</u>             | <u>5,609</u>              | <u>15,653</u>                     | <u>72,063</u>              |
| <b>Liabilities</b>                                                      |                           |                                        |                        |                           |                           |                                   |                            |
| Current liabilities:                                                    |                           |                                        |                        |                           |                           |                                   |                            |
| Accrued payroll                                                         | 422                       | 54                                     | 13                     | 500                       | 120                       | 345                               | 1,454                      |
| Accounts payable                                                        | 2,528                     | 152                                    | 173                    | 4,785                     | 3,335                     | 795                               | 11,768                     |
| Compensated absences                                                    | 715                       | 86                                     | 30                     | 1,268                     | 247                       | 735                               | 3,081                      |
| Estimated unpaid health claims                                          | -                         | -                                      | -                      | -                         | 8,960                     | -                                 | 8,960                      |
| Estimated unpaid claims - general                                       | -                         | -                                      | -                      | -                         | 6,656                     | -                                 | 6,656                      |
| Workers' compensation                                                   | -                         | -                                      | -                      | -                         | 5,365                     | -                                 | 5,365                      |
| Other liabilities                                                       | -                         | -                                      | -                      | -                         | 3,159                     | -                                 | 3,159                      |
| Total current liabilities                                               | <u>3,665</u>              | <u>292</u>                             | <u>216</u>             | <u>6,553</u>              | <u>27,842</u>             | <u>1,875</u>                      | <u>40,443</u>              |
| Noncurrent liabilities:                                                 |                           |                                        |                        |                           |                           |                                   |                            |
| Estimated unpaid claims - general                                       | -                         | -                                      | -                      | -                         | 49,650                    | -                                 | 49,650                     |
| Workers' compensation                                                   | -                         | -                                      | -                      | -                         | 37,750                    | -                                 | 37,750                     |
| Compensated absences                                                    | 668                       | 80                                     | 28                     | 1,185                     | 230                       | 687                               | 2,878                      |
| Other postemployment benefits                                           | 5,582                     | 266                                    | 107                    | 3,742                     | 1,053                     | 2,472                             | 13,222                     |
| Net pension liability                                                   | 76,334                    | 9,245                                  | 2,794                  | 80,898                    | 15,029                    | 41,421                            | 225,721                    |
| Total noncurrent liabilities                                            | <u>82,584</u>             | <u>9,591</u>                           | <u>2,929</u>           | <u>85,825</u>             | <u>103,712</u>            | <u>44,580</u>                     | <u>329,221</u>             |
| Total liabilities                                                       | <u><u>86,249</u></u>      | <u><u>9,883</u></u>                    | <u><u>3,145</u></u>    | <u><u>92,378</u></u>      | <u><u>131,554</u></u>     | <u><u>46,455</u></u>              | <u><u>369,664</u></u>      |
| <b>Deferred inflows of resources</b>                                    |                           |                                        |                        |                           |                           |                                   |                            |
| Deferred inflows of resources related to pensions                       | 2,929                     | 370                                    | 119                    | 3,714                     | 930                       | 2,321                             | 10,383                     |
| Deferred inflows of resources related to other postemployment benefits  | 1,406                     | 112                                    | 45                     | 1,021                     | 305                       | 760                               | 3,649                      |
| Total deferred inflows of resources                                     | <u>4,335</u>              | <u>482</u>                             | <u>164</u>             | <u>4,735</u>              | <u>1,235</u>              | <u>3,081</u>                      | <u>14,032</u>              |
| <b>Net position</b>                                                     |                           |                                        |                        |                           |                           |                                   |                            |
| Net investment in capital assets                                        | 17,524                    | 729                                    | -                      | 2,521                     | -                         | 7                                 | 20,781                     |
| Unrestricted (deficit)                                                  | (46,983)                  | (5,611)                                | 2,723                  | (31,761)                  | (47,230)                  | (32,878)                          | (161,740)                  |
| Total net position (deficit)                                            | <u><u>\$ (29,459)</u></u> | <u><u>\$ (4,882)</u></u>               | <u><u>\$ 2,723</u></u> | <u><u>\$ (29,240)</u></u> | <u><u>\$ (47,230)</u></u> | <u><u>\$ (32,871)</u></u>         | <u><u>\$ (140,959)</u></u> |

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2021  
(in thousands)

|                                           | Equipment<br>Services | Communication<br>Equipment<br>Services | Office<br>Services | Information<br>Systems | Risk<br>Funds      | Bond<br>Program<br>Administration | Total               |
|-------------------------------------------|-----------------------|----------------------------------------|--------------------|------------------------|--------------------|-----------------------------------|---------------------|
| <b>Operating revenues</b>                 |                       |                                        |                    |                        |                    |                                   |                     |
| Charges to other city departments         | \$ 53,223             | \$ 11,246                              | \$ 2,941           | \$ 84,106              | \$ 148,635         | \$ 18,092                         | \$ 318,243          |
| Charges to employees/retirees             | 292                   | -                                      | -                  | 1                      | 57,090             | 27                                | 57,410              |
| Other revenues                            | -                     | -                                      | 127                | 81                     | 1,508              | -                                 | 1,716               |
| Total operating revenues                  | <u>53,515</u>         | <u>11,246</u>                          | <u>3,068</u>       | <u>84,188</u>          | <u>207,233</u>     | <u>18,119</u>                     | <u>377,369</u>      |
| <b>Operating expenses</b>                 |                       |                                        |                    |                        |                    |                                   |                     |
| Personnel services                        | 20,614                | 2,552                                  | 776                | 27,176                 | 17,153             | 17,318                            | 85,589              |
| Supplies and materials                    | 23,737                | 479                                    | 1,447              | 962                    | 8                  | 199                               | 26,832              |
| Contractual and other services            | 9,551                 | 3,220                                  | 137                | 55,671                 | 173,079            | 4,388                             | 246,046             |
| Depreciation                              | 3,817                 | 95                                     | -                  | 482                    | -                  | 1                                 | 4,395               |
| Total operating expenses                  | <u>57,719</u>         | <u>6,346</u>                           | <u>2,360</u>       | <u>84,291</u>          | <u>190,240</u>     | <u>21,906</u>                     | <u>362,862</u>      |
| Operating income (loss)                   | <u>(4,204)</u>        | <u>4,900</u>                           | <u>708</u>         | <u>(103)</u>           | <u>16,993</u>      | <u>(3,787)</u>                    | <u>14,507</u>       |
| <b>Nonoperating revenues (expenses):</b>  |                       |                                        |                    |                        |                    |                                   |                     |
| Investment income (loss)                  | 10                    | 3                                      | 7                  | 37                     | 85                 | -                                 | 142                 |
| Gain (loss) on property disposals         | 397                   | -                                      | -                  | -                      | -                  | -                                 | 397                 |
| Total nonoperating revenues (expenses)    | <u>407</u>            | <u>3</u>                               | <u>7</u>           | <u>37</u>              | <u>85</u>          | <u>-</u>                          | <u>539</u>          |
| Income (loss) before transfers            | <u>(3,797)</u>        | <u>4,903</u>                           | <u>715</u>         | <u>(66)</u>            | <u>17,078</u>      | <u>(3,787)</u>                    | <u>15,046</u>       |
| <b>Transfers</b>                          |                       |                                        |                    |                        |                    |                                   |                     |
| Transfers in                              | 272                   | -                                      | -                  | 300                    | -                  | -                                 | 572                 |
| Transfers out                             | (990)                 | (6,127)                                | (42)               | (5,968)                | (296)              | -                                 | (13,423)            |
| Total transfers                           | <u>(718)</u>          | <u>(6,127)</u>                         | <u>(42)</u>        | <u>(5,668)</u>         | <u>(296)</u>       | <u>-</u>                          | <u>(12,851)</u>     |
| Change in net position                    | <u>(4,515)</u>        | <u>(1,224)</u>                         | <u>673</u>         | <u>(5,734)</u>         | <u>16,782</u>      | <u>(3,787)</u>                    | <u>2,195</u>        |
| Net position (deficit), beginning of year | <u>(24,944)</u>       | <u>(3,658)</u>                         | <u>2,050</u>       | <u>(23,506)</u>        | <u>(64,012)</u>    | <u>(29,084)</u>                   | <u>(143,154)</u>    |
| Net position (deficit), end of year       | <u>\$ (29,459)</u>    | <u>\$ (4,882)</u>                      | <u>\$ 2,723</u>    | <u>\$ (29,240)</u>     | <u>\$ (47,230)</u> | <u>\$ (32,871)</u>                | <u>\$ (140,959)</u> |

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                                                                                 | Equipment<br>Services | Communication<br>Equipment<br>Services | Office<br>Services | Information<br>Systems | Risk<br>Funds | Bond<br>Program<br>Administration | Total      |
|-----------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------|--------------------|------------------------|---------------|-----------------------------------|------------|
| <b>Cash flows from operating activities:</b>                                                                    |                       |                                        |                    |                        |               |                                   |            |
| Cash received from customers                                                                                    | \$ 53,223             | \$ 11,268                              | \$ 2,943           | \$ 84,107              | \$ 205,177    | \$ 18,119                         | \$ 374,837 |
| Cash payments to suppliers for goods and services                                                               | (26,299)              | (544)                                  | (1,473)            | (3,236)                | 1,173         | (35)                              | (30,414)   |
| Cash payments to employees for services                                                                         | (16,322)              | (2,082)                                | (632)              | (19,552)               | (19,686)      | (13,158)                          | (71,432)   |
| Cash payments for contractual services                                                                          | (9,551)               | (3,220)                                | (137)              | (55,671)               | (171,292)     | (4,388)                           | (244,259)  |
| Other operating cash receipts (payments)                                                                        | 292                   | -                                      | 126                | 81                     | 1,508         | -                                 | 2,007      |
| Net cash provided by (used in) operating activities                                                             | 1,343                 | 5,422                                  | 827                | 5,729                  | 16,880        | 538                               | 30,739     |
| <b>Cash flows from non capital financing activities:</b>                                                        |                       |                                        |                    |                        |               |                                   |            |
| Transfers from other funds                                                                                      | 272                   | -                                      | -                  | 300                    | -             | -                                 | 572        |
| Transfers to other funds                                                                                        | (990)                 | (6,127)                                | (42)               | (5,968)                | (296)         | -                                 | (13,423)   |
| Net cash provided by (used in) non capital financing activities                                                 | (718)                 | (6,127)                                | (42)               | (5,668)                | (296)         | -                                 | (12,851)   |
| <b>Cash flows from capital and related financing activities:</b>                                                |                       |                                        |                    |                        |               |                                   |            |
| Acquisition and construction of capital assets                                                                  | (3,492)               | -                                      | -                  | (468)                  | -             | -                                 | (3,960)    |
| Proceeds from sale of capital assets                                                                            | 647                   | -                                      | -                  | -                      | -             | -                                 | 647        |
| Net cash provided by (used in) capital and related financing activities                                         | (2,845)               | -                                      | -                  | (468)                  | -             | -                                 | (3,313)    |
| <b>Cash flows from investing activities:</b>                                                                    |                       |                                        |                    |                        |               |                                   |            |
| Investment income                                                                                               | 10                    | 3                                      | 7                  | 60                     | 70            | -                                 | 150        |
| Net cash provided by (used in) investing activities                                                             | 10                    | 3                                      | 7                  | 60                     | 70            | -                                 | 150        |
| Net increase (decrease) in cash and cash equivalents                                                            | (2,210)               | (702)                                  | 792                | (347)                  | 16,654        | 538                               | 14,725     |
| Cash and cash equivalents, beginning of year                                                                    | 20,710                | 2,729                                  | 4,395              | 39,628                 | 62,236        | 467                               | 130,165    |
| Cash and cash equivalents, end of year                                                                          | \$ 18,500             | \$ 2,027                               | \$ 5,187           | \$ 39,281              | \$ 78,890     | \$ 1,005                          | \$ 144,890 |
| <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>        |                       |                                        |                    |                        |               |                                   |            |
| Operating income (loss)                                                                                         | \$ (4,204)            | \$ 4,900                               | \$ 708             | \$ (103)               | \$ 16,993     | \$ (3,787)                        | \$ 14,507  |
| <b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b> |                       |                                        |                    |                        |               |                                   |            |
| Depreciation                                                                                                    | 3,817                 | 95                                     | -                  | 482                    | -             | 1                                 | 4,395      |
| <b>Change in assets and liabilities</b>                                                                         |                       |                                        |                    |                        |               |                                   |            |
| (Increase) Decrease in accounts and other receivables                                                           | -                     | 22                                     | 2                  | -                      | (549)         | -                                 | (525)      |
| (Increase) Decrease in inventories                                                                              | (539)                 | 10                                     | (39)               | -                      | -             | -                                 | (568)      |
| (Increase) Decrease in other assets                                                                             | -                     | -                                      | -                  | -                      | 2,355         | -                                 | 2,355      |
| (Increase) Decrease in deferred outflows for other postemployment benefits                                      | 117                   | (1)                                    | 4                  | 92                     | 23            | 71                                | 306        |
| (Increase) Decrease in deferred outflows for pension contributions                                              | (3,110)               | (462)                                  | (127)              | (4,822)                | (1,604)       | (5,589)                           | (15,714)   |
| Increase (Decrease) in accounts payable                                                                         | (2,023)               | (75)                                   | 13                 | (2,274)                | 4,258         | 164                               | 63         |
| Increase (Decrease) in accrued payroll                                                                          | 53                    | 20                                     | (2)                | 29                     | 17            | 65                                | 182        |
| Increase (Decrease) in compensated absences                                                                     | (134)                 | 20                                     | 6                  | (79)                   | 4             | 86                                | (97)       |
| Increase (Decrease) in other post employment benefits                                                           | (4,654)               | (478)                                  | (145)              | (3,324)                | (1,039)       | (2,846)                           | (12,486)   |
| Increase (Decrease) in estimated unpaid health claims                                                           | -                     | -                                      | -                  | -                      | (5,306)       | -                                 | (5,306)    |
| Increase (Decrease) in estimated unpaid claims - general                                                        | -                     | -                                      | -                  | -                      | (8,120)       | -                                 | (8,120)    |
| Increase (Decrease) in workers' compensation                                                                    | -                     | -                                      | -                  | -                      | 1,755         | -                                 | 1,755      |
| Increase (Decrease) in net pension liability                                                                    | 14,025                | 1,654                                  | 487                | 17,520                 | 3,941         | 11,401                            | 49,028     |
| Increase (Decrease) in other liabilities                                                                        | -                     | -                                      | -                  | -                      | 4,476         | -                                 | 4,476      |
| Increase (Decrease) in deferred inflows for other postemployment benefits                                       | 32                    | 19                                     | -                  | 17                     | 10            | 94                                | 172        |
| Increase (Decrease) in deferred inflows for pension contributions                                               | (2,037)               | (302)                                  | (80)               | (1,809)                | (334)         | 878                               | (3,684)    |
| Total adjustments                                                                                               | 5,547                 | 522                                    | 119                | 5,832                  | (113)         | 4,325                             | 16,232     |
| Net cash provided by (used in) operating activities                                                             | \$ 1,343              | \$ 5,422                               | \$ 827             | \$ 5,729               | \$ 16,880     | \$ 538                            | \$ 30,739  |

## **FIDUCIARY FUNDS**

Pension Trust Funds - to account for the activities of three defined benefit plans and three deferred compensation plans. The defined benefit plans include the Employees' Retirement System, Police and Fire Pension System, and Supplemental Police and Fire Pension Plan. The three contributory defined benefit plans are used to accumulate resources for pension benefits payments to qualified employees. The deferred compensation plans include the 401(k) Retirement Plan, 457 Deferred Compensation Plan, and 457 Deferred Compensation Plan for Part-time, Seasonal, Temporary Employees, and City Councilmembers. The City does not make contributions for the deferred compensations plans; however, qualified individuals make contributions to accumulate resources for their retirement.

Custodial Funds - to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. The three custodial funds include confiscated money, unclaimed property, and municipal court funds collected for other agencies).

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
September 30, 2021 (1)  
(in thousands)

|                                                     | Employees'<br>Retirement<br>Fund (1) | Dallas Police &<br>Fire Pension<br>System (1) | Police & Fire<br>Supplemental<br>Pension Fund (1) | 401K<br>Retirement<br>Fund (1) | 457 Deferred<br>Compensation<br>Plan (1) | 457 (PST)<br>Deferred<br>Compensation Plan (1) | Total<br>Pension<br>Trust Funds (1) |
|-----------------------------------------------------|--------------------------------------|-----------------------------------------------|---------------------------------------------------|--------------------------------|------------------------------------------|------------------------------------------------|-------------------------------------|
| <b>Assets</b>                                       |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Cash and cash equivalents                           | \$ 89,190                            | \$ 87,751                                     | \$ 741                                            | \$ -                           | \$ -                                     | \$ -                                           | \$ 177,682                          |
| Invested securities lending collateral              | 239,533                              | -                                             | -                                                 | -                              | -                                        | -                                              | 239,533                             |
| Receivables:                                        |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Accounts                                            | 414,611                              | 15,363                                        | 87                                                | -                              | -                                        | -                                              | 430,061                             |
| Accrued interest and dividends                      | 13,767                               | 3,750                                         | 32                                                | -                              | -                                        | -                                              | 17,549                              |
| Notes Receivable-DC Member                          | -                                    | -                                             | -                                                 | 12,282                         | 14,319                                   | -                                              | 26,601                              |
| Investments /Participants                           | -                                    | -                                             | -                                                 | 398,261                        | 418,211                                  | 4,125                                          | 820,597                             |
| Short-term investments                              | -                                    | 20,259                                        | 171                                               | -                              | -                                        | -                                              | 20,430                              |
| Equity securities                                   | -                                    | 694,903                                       | 5,864                                             | -                              | -                                        | -                                              | 700,767                             |
| Domestic equities                                   | 1,419,539                            | -                                             | -                                                 | -                              | -                                        | -                                              | 1,419,539                           |
| U.S. and foreign government fixed income securities | 204,816                              | 469,460                                       | 3,962                                             | -                              | -                                        | -                                              | 678,238                             |
| Domestic corporate fixed income                     | 772,004                              | -                                             | -                                                 | -                              | -                                        | -                                              | 772,004                             |
| International equities and fixed income             | 468,520                              | -                                             | -                                                 | -                              | -                                        | -                                              | 468,520                             |
| Commingled index funds                              | 208,318                              | -                                             | -                                                 | -                              | -                                        | -                                              | 208,318                             |
| Real assets                                         | 222,726                              | 520,936                                       | 4,396                                             | -                              | -                                        | -                                              | 748,058                             |
| Private equities and venture capital funds          | 316,237                              | 136,161                                       | 1,149                                             | -                              | -                                        | -                                              | 453,547                             |
| Forward currency contracts                          | -                                    | (294)                                         | (2)                                               | -                              | -                                        | -                                              | (296)                               |
| Prepaid expenses                                    | -                                    | 540                                           | 4                                                 | -                              | -                                        | -                                              | 544                                 |
| Capital assets, net                                 | 7,414                                | 11,987                                        | 101                                               | -                              | -                                        | -                                              | 19,502                              |
| Total assets                                        | <u>4,376,675</u>                     | <u>1,960,816</u>                              | <u>16,505</u>                                     | <u>410,543</u>                 | <u>432,530</u>                           | <u>4,125</u>                                   | <u>7,201,194</u>                    |
| <b>Liabilities</b>                                  |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Accounts payable                                    | 8,482                                | 5,431                                         | 33                                                | -                              | -                                        | -                                              | 13,946                              |
| Payable for securities purchased                    | 11,421                               | 11,685                                        | 98                                                | -                              | -                                        | -                                              | 23,204                              |
| Securities lending collateral                       | 239,533                              | -                                             | -                                                 | -                              | -                                        | -                                              | 239,533                             |
| Other liabilities                                   | 410,486                              | -                                             | -                                                 | -                              | -                                        | -                                              | 410,486                             |
| Total liabilities                                   | <u>669,922</u>                       | <u>17,116</u>                                 | <u>131</u>                                        | <u>-</u>                       | <u>-</u>                                 | <u>-</u>                                       | <u>687,169</u>                      |
| <b>Net Position</b>                                 |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Net investment in capital assets                    | 7,414                                | 11,987                                        | 101                                               | -                              | -                                        | -                                              | 19,502                              |
| Restricted for pensions                             | 3,699,339                            | 1,931,713                                     | 16,273                                            | 410,543                        | 432,530                                  | 4,125                                          | 6,494,523                           |
| Total net position                                  | <u>\$ 3,706,753</u>                  | <u>\$ 1,943,700</u>                           | <u>\$ 16,374</u>                                  | <u>\$ 410,543</u>              | <u>\$ 432,530</u>                        | <u>\$ 4,125</u>                                | <u>\$ 6,514,025</u>                 |

(1) Although the City has a fiscal year-end of September 30, the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2020.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
For the Year Ended September 30, 2021  
(in thousands)

|                                                                | Employees'<br>Retirement<br>Fund (1) | Dallas Police &<br>Fire Pension<br>System (1) | Police & Fire<br>Supplemental<br>Pension Fund (1) | 401K<br>Retirement<br>Fund (1) | 457 Deferred<br>Compensation<br>Plan (1) | 457 (PST)<br>Deferred<br>Compensation Plan (1) | Total<br>Pension<br>Trust Funds (1) |
|----------------------------------------------------------------|--------------------------------------|-----------------------------------------------|---------------------------------------------------|--------------------------------|------------------------------------------|------------------------------------------------|-------------------------------------|
| <b>Additions:</b>                                              |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| <b>Contributions</b>                                           |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Employer                                                       | \$ 61,615                            | \$ 161,950                                    | \$ 1,777                                          | \$ -                           | \$ -                                     | \$ -                                           | \$ 225,342                          |
| Employee                                                       | 58,358                               | 57,305                                        | 245                                               | 25,439                         | 23,800                                   | 337                                            | 165,484                             |
| Total contributions                                            | 119,973                              | 219,255                                       | 2,022                                             | 25,439                         | 23,800                                   | 337                                            | 390,826                             |
| <b>Net investment income:</b>                                  |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Interest and dividends                                         | 91,783                               | 29,561                                        | 250                                               | 17,246                         | 19,663                                   | 82                                             | 158,585                             |
| Net appreciation (depreciation) in fair value of investments   | 153,972                              | (30,453)                                      | (305)                                             | 41,868                         | 50,492                                   | -                                              | 215,574                             |
| Securities lending income                                      | 1,181                                | 35                                            | 1                                                 | -                              | -                                        | -                                              | 1,217                               |
| <b>Less investment expenses:</b>                               |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Investment management fees                                     | (16,971)                             | (8,414)                                       | (71)                                              | -                              | -                                        | -                                              | (25,456)                            |
| Custody fees                                                   | (125)                                | -                                             | -                                                 | -                              | -                                        | -                                              | (125)                               |
| Consultant fees                                                | (583)                                | -                                             | -                                                 | -                              | -                                        | -                                              | (583)                               |
| Securities lending management fees                             | (236)                                | -                                             | -                                                 | -                              | -                                        | -                                              | (236)                               |
| Total investment expenses                                      | (17,915)                             | (8,414)                                       | (71)                                              | -                              | -                                        | -                                              | (26,400)                            |
| Net investment income                                          | 229,021                              | (9,271)                                       | (125)                                             | 59,114                         | 70,155                                   | 82                                             | 348,976                             |
| Other income(expense)                                          | (308)                                | 344                                           | 3                                                 | -                              | -                                        | -                                              | 39                                  |
| Total additions                                                | 348,686                              | 210,328                                       | 1,900                                             | 84,553                         | 93,955                                   | 419                                            | 739,841                             |
| <b>Deductions:</b>                                             |                                      |                                               |                                                   |                                |                                          |                                                |                                     |
| Benefit payments                                               | 287,465                              | 315,675                                       | 2,778                                             | -                              | -                                        | -                                              | 605,918                             |
| Refund of contributions                                        | 6,857                                | 2,276                                         | -                                                 | -                              | -                                        | -                                              | 9,133                               |
| Administrative expenses                                        | 5,699                                | 6,534                                         | 55                                                | 91                             | 87                                       | 1                                              | 12,467                              |
| Withdrawals-deferred compensation participants                 | -                                    | -                                             | -                                                 | 31,578                         | 31,994                                   | 652                                            | 64,224                              |
| Total deductions                                               | 300,021                              | 324,485                                       | 2,833                                             | 31,669                         | 32,081                                   | 653                                            | 691,742                             |
| Net increase (decrease) in net position available for benefits | 48,665                               | (114,157)                                     | (933)                                             | 52,884                         | 61,874                                   | (234)                                          | 48,099                              |
| Net position, beginning of year, as previously reported        | 3,658,088                            | 2,057,857                                     | 17,307                                            | -                              | -                                        | -                                              | 5,733,252                           |
| Restatement See Note 1 W                                       | -                                    | -                                             | -                                                 | 357,659                        | 370,656                                  | 4,359                                          | 732,674                             |
| Net position, beginning of year, as restated                   | 3,658,088                            | 2,057,857                                     | 17,307                                            | 357,659                        | 370,656                                  | 4,359                                          | 6,465,926                           |
| Net position, end of year                                      | \$ 3,706,753                         | \$ 1,943,700                                  | \$ 16,374                                         | \$ 410,543                     | \$ 432,530                               | \$ 4,125                                       | \$ 6,514,025                        |

(1) Although the City has a fiscal year-end of September 30, 2021 the pension trust funds have a calendar year-end; therefore, the information presented above is as of December 31, 2020.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
September 30, 2021  
(in thousands)

|                           | Confiscated<br>Money | Unclaimed<br>Property | Municipal<br>Court | Total           |
|---------------------------|----------------------|-----------------------|--------------------|-----------------|
| <b>Assets</b>             |                      |                       |                    |                 |
| Cash and cash equivalents | \$ 2,633             | \$ 6,338              | \$ 18              | \$ 8,989        |
| Receivables:              |                      |                       |                    |                 |
| Accounts                  | 1                    | -                     | -                  | 1               |
| Total assets              | <u>2,634</u>         | <u>6,338</u>          | <u>18</u>          | <u>8,990</u>    |
| <b>Liabilities</b>        |                      |                       |                    |                 |
| Accounts payable          | 2                    | -                     | 12                 | 14              |
| Total liabilities         | <u>2</u>             | <u>-</u>              | <u>12</u>          | <u>14</u>       |
| <b>Net Position</b>       |                      |                       |                    |                 |
| Restricted                | 2,632                | 6,338                 | 6                  | 8,976           |
| Total net position        | <u>\$ 2,632</u>      | <u>\$ 6,338</u>       | <u>\$ 6</u>        | <u>\$ 8,976</u> |

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**

For the Year Ended September 30, 2021  
(in thousands)

|                                                         | Confiscated<br>Money | Unclaimed<br>Property | Municipal<br>Court | Totals          |
|---------------------------------------------------------|----------------------|-----------------------|--------------------|-----------------|
| <b>Additions:</b>                                       |                      |                       |                    |                 |
| Confiscated money receipts                              | 2,120                | -                     | -                  | 2,120           |
| Unclaimed property receipts                             | -                    | 1,288                 | -                  | 1,288           |
| Municipal court receipts for other jurisdictions        | -                    | -                     | 65                 | 65              |
| Interest and dividends                                  | 3                    | -                     | -                  | 3               |
| Other income                                            | -                    | -                     | 5                  | 5               |
| Total additions                                         | <u>2,123</u>         | <u>1,288</u>          | <u>70</u>          | <u>3,481</u>    |
| <b>Deductions:</b>                                      |                      |                       |                    |                 |
| Confiscated money payments                              | 1,502                | -                     | -                  | 1,502           |
| Unclaimed property payments                             | -                    | 989                   | -                  | 989             |
| Municipal court payments to other jurisdictions         | -                    | -                     | 65                 | 65              |
| Total deductions                                        | <u>1,502</u>         | <u>989</u>            | <u>65</u>          | <u>2,556</u>    |
| Net increase (decrease) in net position                 | 621                  | 299                   | 5                  | 925             |
| Net position, beginning of year, as previously reported | -                    | -                     | -                  | -               |
| Restatement See Note 1. W.                              | 2,011                | 6,039                 | 1                  | 8,051           |
| Net position, beginning of year, as restated            | <u>2,011</u>         | <u>6,039</u>          | <u>1</u>           | <u>8,051</u>    |
| Net position, end of year                               | <u>\$ 2,632</u>      | <u>\$ 6,338</u>       | <u>\$ 6</u>        | <u>\$ 8,976</u> |



## **DEBT SERVICE FUND**

The City maintains one fund to account for payment of principal and interest on the following general obligation debt: bonds, certificates of obligation, and equipment acquisition notes.

**CITY OF DALLAS, TEXAS**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
Year Ended September 30, 2021  
(in thousands)

|                                                                      | Budgeted Amounts |                  | Actual<br>(Budget<br>Basis) | Variance with<br>Final Budget--<br>Positive<br>(Negative) |
|----------------------------------------------------------------------|------------------|------------------|-----------------------------|-----------------------------------------------------------|
|                                                                      | Original         | Final            |                             |                                                           |
| Revenues:                                                            |                  |                  |                             |                                                           |
| Ad valorem taxes                                                     | \$ 301,028       | \$ 301,028       | \$ 308,504                  | \$ 7,476                                                  |
| "Build America Bonds" Federal Subsidy                                | 1,186            | 1,186            | 1,193                       | 7                                                         |
| Investment income                                                    | 200              | 200              | 297                         | 97                                                        |
| Total revenues                                                       | <u>302,414</u>   | <u>302,414</u>   | <u>309,994</u>              | <u>7,580</u>                                              |
| Expenditures:                                                        |                  |                  |                             |                                                           |
| Principal                                                            | 153,990          | 153,990          | 389,279                     | (235,289)                                                 |
| Interest and fiscal charges                                          | 136,194          | 136,194          | 139,980                     | (3,786)                                                   |
| Other                                                                | 25,338           | 25,338           | 25,338                      | -                                                         |
| Total expenditures                                                   | <u>315,522</u>   | <u>315,522</u>   | <u>554,597</u>              | <u>(239,075)</u>                                          |
| Deficiency of revenues over expenditures                             | <u>(13,108)</u>  | <u>(13,108)</u>  | <u>(244,603)</u>            | <u>(231,495)</u>                                          |
| Other financing sources:                                             |                  |                  |                             |                                                           |
| Transfers                                                            | 17,396           | 17,396           | 5,767                       | (11,629)                                                  |
| Deficiency of revenues and other financing sources over expenditures | 4,288            | 4,288            | 23,071                      | 18,783                                                    |
| Fund balance, beginning of year                                      | 19,143           | 19,143           | 31,340                      | 12,197                                                    |
| Fund balance, end of year                                            | <u>\$ 23,431</u> | <u>\$ 23,431</u> | <u>\$ 54,411</u>            | <u>\$ 30,980</u>                                          |

Adjustments necessary to convert the deficiency of revenues and other sources under expenditures and other uses on the budget basis to a GAAP basis are provided below:

|                                                                                                  |                  |
|--------------------------------------------------------------------------------------------------|------------------|
| Deficiency of revenues and other financing sources over expenditures and other uses-budget basis | \$ 23,071        |
| Change in fair market value of investments                                                       | <u>(60)</u>      |
| Excess of revenues and other financing sources over expenditures and other financing uses        | <u>\$ 23,011</u> |

## **DISCRETELY PRESENTED COMPONENT UNITS**

Housing Finance Corporation – organized to issue tax-exempt mortgage revenue bonds to encourage low to moderate income citizen opportunities for single family residential home ownership.

Housing Acquisition and Development Corporation – organized solely and exclusively for the public purpose of providing safe, affordable housing facilities which are incidental thereto for the benefit of low and moderate-income persons.

Dallas Development Fund – organized to assist in carrying out the economic development program and objectives of the City by generating private investment capital through the New Markets Tax Credit Program to be made available for investment in low-income communities.

Downtown Dallas Development Authority – to account for tax increment financing revenue bonds issued to finance major improvements by developers on behalf of the City.

North Oak Cliff Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, and the arts, entertainment, economic development, safety, the public welfare in the district, and educational scholarships for college-bound students residing in or out of the District.

Cypress Waters Municipal Management District – organized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the District.

Dallas Convention Center Hotel Development Corporation – organized to promote the development of the geographic area of the City included at or in the vicinity of the Dallas Convention Center, in furtherance of the promotion, development, encouragement and maintenance of employment, commerce, convention and meeting activity, tourism, and economic development in the City, including specifically, without limitation, the development and financing of a convention center hotel to be located within 1,000 feet of the Dallas Convention Center.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**

As of September 30, 2021  
(in thousands)

|                                                    | Governmental-type Activities Component Units |                                                          |                               |                                                |                                                           |                                                          |                       | Business-Type                                                        |
|----------------------------------------------------|----------------------------------------------|----------------------------------------------------------|-------------------------------|------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|-----------------------|----------------------------------------------------------------------|
|                                                    | Housing<br>Finance<br>Corporation *          | Housing<br>Acquisition and<br>Development<br>Corporation | Dallas<br>Development<br>Fund | Downtown<br>Dallas<br>Development<br>Authority | North<br>Oak Cliff<br>Municipal<br>Management<br>District | Cypress<br>Waters<br>Municipal<br>Management<br>District | Total<br>Governmental | Dallas<br>Convention<br>Center Hotel<br>Development<br>Corporation * |
| <b>Assets:</b>                                     |                                              |                                                          |                               |                                                |                                                           |                                                          |                       |                                                                      |
| <b>Current assets:</b>                             |                                              |                                                          |                               |                                                |                                                           |                                                          |                       |                                                                      |
| Cash and cash equivalents                          | \$ 3,689                                     | \$ 355                                                   | \$ 3,932                      | \$ 16,179                                      | \$ 7                                                      | \$ -                                                     | \$ 24,162             | \$ 99,705                                                            |
| Investments, at fair value                         | 2,502                                        | -                                                        | 11                            | -                                              | -                                                         | -                                                        | 2,513                 | -                                                                    |
| Receivables                                        | 888                                          | 256                                                      | 285                           | -                                              | -                                                         | -                                                        | 1,429                 | 6,156                                                                |
| Inventory                                          | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 574                                                                  |
| Prepaid expenses                                   | 13                                           | -                                                        | 20                            | -                                              | -                                                         | -                                                        | 33                    | 371                                                                  |
| Land held for resale                               | -                                            | 512                                                      | -                             | -                                              | -                                                         | -                                                        | 512                   | -                                                                    |
| Franchise fee<br>(net of accumulated amortization) | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 38                                                                   |
| Other assets                                       | -                                            | -                                                        | 1,945                         | -                                              | -                                                         | -                                                        | 1,945                 | -                                                                    |
| <b>Restricted assets:</b>                          |                                              |                                                          |                               |                                                |                                                           |                                                          |                       |                                                                      |
| Cash and cash equivalents                          | -                                            | -                                                        | 100                           | 8,281                                          | -                                                         | -                                                        | 8,381                 | 29,220                                                               |
| Investments, at fair value                         | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 35,722                                                               |
| <b>Capital assets:</b>                             |                                              |                                                          |                               |                                                |                                                           |                                                          |                       |                                                                      |
| Buildings                                          | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 338,428                                                              |
| Furniture, fixtures, and equipment                 | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 42,785                                                               |
| Land                                               | 16,283                                       | -                                                        | -                             | -                                              | -                                                         | -                                                        | 16,283                | 27,511                                                               |
| Construction in progress                           | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 1,179                                                                |
| Less: Accumulated depreciation                     | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | (102,777)                                                            |
| <b>Total assets</b>                                | <b>23,375</b>                                | <b>1,123</b>                                             | <b>6,293</b>                  | <b>24,460</b>                                  | <b>7</b>                                                  | <b>-</b>                                                 | <b>55,258</b>         | <b>478,912</b>                                                       |
| Deferred outflows of resources                     | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 234                                                                  |
| <b>Liabilities:</b>                                |                                              |                                                          |                               |                                                |                                                           |                                                          |                       |                                                                      |
| Accrued payroll                                    | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 497                                                                  |
| Accounts payable                                   | -                                            | -                                                        | 123                           | 175                                            | 11                                                        | -                                                        | 309                   | 806                                                                  |
| Accrued expenses                                   | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 1,481                                                                |
| Accrued taxes payable                              | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 202                                                                  |
| Unearned revenue                                   | 15,390                                       | -                                                        | 100                           | -                                              | -                                                         | -                                                        | 15,490                | 5,240                                                                |
| Accrued interest payable                           | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 14,824                                                               |
| Accounts payable Omni                              | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                     | 1,138                                                                |
| Other liabilities                                  | -                                            | -                                                        | 1,014                         | -                                              | -                                                         | 327                                                      | 1,341                 | 60                                                                   |
| <b>Long-term liabilities:</b>                      |                                              |                                                          |                               |                                                |                                                           |                                                          |                       |                                                                      |
| Due within one year                                | -                                            | -                                                        | -                             | 3,243                                          | -                                                         | -                                                        | 3,243                 | 10,990                                                               |
| Due in more than one year                          | -                                            | -                                                        | -                             | 85,019                                         | -                                                         | -                                                        | 85,019                | 437,421                                                              |
| <b>Total liabilities</b>                           | <b>15,390</b>                                | <b>-</b>                                                 | <b>1,237</b>                  | <b>88,437</b>                                  | <b>11</b>                                                 | <b>327</b>                                               | <b>105,402</b>        | <b>472,659</b>                                                       |
| <b>Net position:</b>                               |                                              |                                                          |                               |                                                |                                                           |                                                          |                       |                                                                      |
| Net investment in capital assets                   | 16,283                                       | -                                                        | -                             | -                                              | -                                                         | -                                                        | 16,283                | (59,347)                                                             |
| Restricted for debt service                        | -                                            | 448                                                      | -                             | 8,106                                          | -                                                         | -                                                        | 8,554                 | -                                                                    |
| Unrestricted                                       | (8,298)                                      | 675                                                      | 5,056                         | (72,083)                                       | (4)                                                       | (327)                                                    | (74,981)              | 65,834                                                               |
| <b>Total net position</b>                          | <b>\$ 7,985</b>                              | <b>\$ 1,123</b>                                          | <b>\$ 5,056</b>               | <b>\$ (63,977)</b>                             | <b>\$ (4)</b>                                             | <b>\$ (327)</b>                                          | <b>\$ (50,144)</b>    | <b>\$ 6,487</b>                                                      |

\* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2020.

**CITY OF DALLAS, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
Year Ended September 30, 2021  
(in thousands)

|                                        | Governmental-type Activities Component Units |                                                          |                               |                                                |                                                           |                                                          | Total              | Business-Type                                                        |
|----------------------------------------|----------------------------------------------|----------------------------------------------------------|-------------------------------|------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|--------------------|----------------------------------------------------------------------|
|                                        | Housing<br>Finance<br>Corporation *          | Housing<br>Acquisition and<br>Development<br>Corporation | Dallas<br>Development<br>Fund | Downtown<br>Dallas<br>Development<br>Authority | North<br>Oak Cliff<br>Municipal<br>Management<br>District | Cypress<br>Waters<br>Municipal<br>Management<br>District |                    | Dallas<br>Convention<br>Center Hotel<br>Development<br>Corporation * |
| Operating revenues:                    |                                              |                                                          |                               |                                                |                                                           |                                                          |                    |                                                                      |
| Charges for services                   | \$ 1,644                                     | \$ -                                                     | \$ 6,724                      | \$ -                                           | \$ -                                                      | \$ -                                                     | \$ 8,368           | \$ 43,021                                                            |
| Other revenues                         | 3                                            | 420                                                      | 12                            | -                                              | -                                                         | -                                                        | 435                | -                                                                    |
| Intergovernmental                      | -                                            | -                                                        | -                             | 33,145                                         | -                                                         | -                                                        | 33,145             | -                                                                    |
| Total operating revenues               | <u>1,647</u>                                 | <u>420</u>                                               | <u>6,736</u>                  | <u>33,145</u>                                  | <u>-</u>                                                  | <u>-</u>                                                 | <u>41,948</u>      | <u>43,021</u>                                                        |
| Operating expenses:                    |                                              |                                                          |                               |                                                |                                                           |                                                          |                    |                                                                      |
| Personnel services                     | -                                            | 25                                                       | 6,398                         | -                                              | -                                                         | -                                                        | 6,423              | -                                                                    |
| Contractual and other services         | 125                                          | 143                                                      | -                             | 25,333                                         | 1                                                         | 1                                                        | 25,603             | 34,424                                                               |
| Interest and service charges           | -                                            | -                                                        | -                             | 5,251                                          | -                                                         | -                                                        | 5,251              | -                                                                    |
| Depreciation and amortization          | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                  | 10,479                                                               |
| Total operating expenses               | <u>125</u>                                   | <u>168</u>                                               | <u>6,398</u>                  | <u>30,584</u>                                  | <u>1</u>                                                  | <u>1</u>                                                 | <u>37,277</u>      | <u>44,903</u>                                                        |
| Operating income (loss)                | <u>1,522</u>                                 | <u>252</u>                                               | <u>338</u>                    | <u>2,561</u>                                   | <u>(1)</u>                                                | <u>(1)</u>                                               | <u>4,671</u>       | <u>(1,882)</u>                                                       |
| Nonoperating revenues (expenses):      |                                              |                                                          |                               |                                                |                                                           |                                                          |                    |                                                                      |
| Interest and dividends                 | 3                                            | -                                                        | -                             | 2                                              | -                                                         | -                                                        | 5                  | 1,573                                                                |
| Interest on bonds                      | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                  | (30,671)                                                             |
| City tax revenue                       | -                                            | -                                                        | -                             | -                                              | -                                                         | -                                                        | -                  | 3,272                                                                |
| Other revenues (expenses)              | 3                                            | -                                                        | -                             | -                                              | (10)                                                      | -                                                        | (7)                | 10,174                                                               |
| Total nonoperating revenues (expenses) | <u>6</u>                                     | <u>-</u>                                                 | <u>-</u>                      | <u>2</u>                                       | <u>(10)</u>                                               | <u>-</u>                                                 | <u>(2)</u>         | <u>(15,652)</u>                                                      |
| Change in net position                 | <u>1,528</u>                                 | <u>252</u>                                               | <u>338</u>                    | <u>2,563</u>                                   | <u>(11)</u>                                               | <u>(1)</u>                                               | <u>4,669</u>       | <u>(17,534)</u>                                                      |
| Net position, beginning of year        | <u>6,457</u>                                 | <u>871</u>                                               | <u>4,718</u>                  | <u>(66,540)</u>                                | <u>7</u>                                                  | <u>(326)</u>                                             | <u>(54,813)</u>    | <u>24,021</u>                                                        |
| Net position, end of year              | <u>\$ 7,985</u>                              | <u>\$ 1,123</u>                                          | <u>\$ 5,056</u>               | <u>\$ (63,977)</u>                             | <u>\$ (4)</u>                                             | <u>\$ (327)</u>                                          | <u>\$ (50,144)</u> | <u>\$ 6,487</u>                                                      |

\* The information reported for the Housing Finance Corporation and the Dallas Convention Center Hotel Development Corporation is as of December 31, 2020.

**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS BY SOURCE**

As of September 30, 2021  
(in thousands)

|                                                                  |           |                  |
|------------------------------------------------------------------|-----------|------------------|
| Governmental funds capital assets:                               |           |                  |
| Land                                                             | \$        | 550,068          |
| Construction in progress                                         |           | 527,474          |
| Buildings                                                        |           | 1,546,614        |
| Improvements other than buildings                                |           | 773,004          |
| Equipment                                                        |           | 736,392          |
| Infrastructure                                                   |           | 3,135,683        |
| Artwork                                                          |           | 49,999           |
| Total governmental funds capital assets                          | <u>\$</u> | <u>7,319,234</u> |
| Investments in governmental funds capital assets by source:      |           |                  |
| General fund                                                     | \$        | 268,805          |
| Other trust and agency funds - municipality                      |           | 136,449          |
| Special revenue fund                                             |           | 272,394          |
| Capital projects fund                                            |           | 5,631,359        |
| Transfer from (to) enterprise funds                              |           | 405,338          |
| Gifts and forfeitures                                            |           | 604,889          |
| Total investments in governmental funds capital assets by source | <u>\$</u> | <u>7,319,234</u> |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**

As of September 30, 2021  
(in thousands)

| Function and Activity                                    | Land              | Construction<br>in Progress | Buildings           | Improvements<br>Other than<br>Buildings | Equipment         | Infrastructure      | Artwork          | Total               |
|----------------------------------------------------------|-------------------|-----------------------------|---------------------|-----------------------------------------|-------------------|---------------------|------------------|---------------------|
| General government                                       |                   |                             |                     |                                         |                   |                     |                  |                     |
| City attorney                                            | \$ -              | \$ -                        | \$ -                | \$ 8                                    | \$ 383            | \$ -                | \$ -             | \$ 391              |
| City auditor                                             | -                 | -                           | -                   | -                                       | 112               | -                   | -                | 112                 |
| Office of financial services                             | -                 | -                           | 4                   | 1,424                                   | 42,323            | 1,487               | -                | 45,238              |
| Municipal Court                                          | -                 | -                           | 826                 | -                                       | 4,044             | 30                  | -                | 4,900               |
| City secretary                                           | -                 | -                           | -                   | -                                       | 129               | -                   | -                | 129                 |
| Civil service                                            | -                 | -                           | -                   | -                                       | 118               | -                   | -                | 118                 |
| Planning and development                                 | 27,950            | -                           | 33,745              | 43,472                                  | 22,529            | 139,732             | -                | 267,428             |
| Employee retirement                                      | -                 | -                           | -                   | -                                       | 13                | -                   | -                | 13                  |
| Equipment, communications and<br>information services    | 1,720             | -                           | 74,997              | 3,345                                   | 137,163           | 14,210              | -                | 231,435             |
| Human resources                                          | -                 | -                           | -                   | -                                       | 5,653             | -                   | -                | 5,653               |
| International Affairs                                    | -                 | -                           | -                   | -                                       | 28                | -                   | -                | 28                  |
| Mayor and council                                        | -                 | -                           | -                   | -                                       | 431               | -                   | -                | 431                 |
| Police and fire pension                                  | -                 | -                           | -                   | -                                       | 30                | -                   | -                | 30                  |
| Public safety                                            |                   |                             |                     |                                         |                   |                     |                  |                     |
| Fire                                                     | 3,493             | -                           | 27,774              | 52                                      | 144,982           | 21                  | -                | 176,322             |
| Police                                                   | 9,329             | -                           | 94,018              | 50                                      | 43,771            | 3,181               | -                | 150,349             |
| Public market                                            | 4,771             | -                           | 4,355               | 515                                     | 199               | 741                 | -                | 10,581              |
| Code Compliance                                          | -                 | -                           | 1,071               | -                                       | 2,952             | -                   | -                | 4,023               |
| Environmental and health services                        | 13,970            | -                           | 7,234               | 866                                     | 924               | 478                 | -                | 23,472              |
| Public works and transportation                          | 261,144           | -                           | 610,368             | 104,515                                 | 152,421           | 2,831,225           | 527              | 3,960,200           |
| Culture and recreation                                   | 189,936           | -                           | 578,916             | 616,572                                 | 34,786            | 31,513              | 49,412           | 1,501,135           |
| Library                                                  | 1,178             | -                           | 63,255              | 29                                      | 136,518           | 348                 | -                | 201,328             |
| Housing                                                  | 7,146             | -                           | 10,311              | 2,156                                   | 677               | 17,348              | 60               | 37,698              |
| Unallocated - Primarily assets<br>acquired prior to 1977 | 29,431            | -                           | 39,740              | -                                       | 6,206             | 95,369              | -                | 170,746             |
| Construction in progress                                 | -                 | 527,474                     | -                   | -                                       | -                 | -                   | -                | 527,474             |
| <b>Total Capital Assets of<br/>governmental funds</b>    | <b>\$ 550,068</b> | <b>\$ 527,474</b>           | <b>\$ 1,546,614</b> | <b>\$ 773,004</b>                       | <b>\$ 736,392</b> | <b>\$ 3,135,683</b> | <b>\$ 49,999</b> | <b>\$ 7,319,234</b> |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

As of September 30, 2021  
(in thousands)

| Function and Activity                                               | Governmental Funds<br>Capital Assets<br>09/30/20 | Additions         | Dispositions      | Governmental Funds<br>Capital Assets<br>09/30/21 |
|---------------------------------------------------------------------|--------------------------------------------------|-------------------|-------------------|--------------------------------------------------|
| General government                                                  |                                                  |                   |                   |                                                  |
| City attorney                                                       | \$ 391                                           |                   |                   | \$ 391                                           |
| City auditor                                                        | 112                                              |                   |                   | 112                                              |
| Office of financial services                                        | 45,123                                           | 115               |                   | 45,238                                           |
| Municipal court                                                     | 4,900                                            |                   |                   | 4,900                                            |
| City secretary                                                      | 129                                              |                   |                   | 129                                              |
| Civil service                                                       | 118                                              |                   |                   | 118                                              |
| Planning and development                                            | 252,837                                          | 14,589            |                   | 267,426                                          |
| Employee retirement                                                 | 13                                               |                   |                   | 13                                               |
| Equipment, communications and<br>information services               | 193,197                                          | 43,698            | 5,460             | 231,435                                          |
| Human resources                                                     | 5,653                                            |                   |                   | 5,653                                            |
| International affairs                                               | 28                                               |                   |                   | 28                                               |
| Mayor and council                                                   | 431                                              |                   |                   | 431                                              |
| Police and fire pension                                             | 30                                               |                   |                   | 30                                               |
| Public safety                                                       | -                                                |                   |                   | -                                                |
| Fire                                                                | 158,277                                          | 21,634            | 3,589             | 176,322                                          |
| Police                                                              | 147,328                                          | 3,111             | 90                | 150,349                                          |
| Public market                                                       | 10,581                                           |                   |                   | 10,581                                           |
| Code compliance                                                     | 3,151                                            | 872               |                   | 4,023                                            |
| Environmental and health services                                   | 13,243                                           | 10,229            |                   | 23,472                                           |
| Public works and transportation                                     | 3,766,267                                        | 198,380           | 4,446             | 3,960,201                                        |
| Culture and recreation                                              | 1,393,289                                        | 107,846           |                   | 1,501,135                                        |
| Housing                                                             | 32,818                                           | 4,880             |                   | 37,698                                           |
| Library                                                             | 196,856                                          | 4,473             |                   | 201,329                                          |
| Unallocated - primarily assets acquired<br>prior to 1977            | 170,746                                          |                   |                   | 170,746                                          |
| Construction in progress                                            | 541,672                                          | 268,574           | 282,772           | 527,474                                          |
| Total capital assets used in the operation<br>of governmental funds | <u>\$ 6,937,190</u>                              | <u>\$ 678,401</u> | <u>\$ 296,357</u> | <u>\$ 7,319,234</u>                              |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.



# **STATISTICAL SECTION**



## STATISTICAL SECTION

(Unaudited)

The City of Dallas comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall health.

|                                               |                                                                                                                                                                                                                    | <b>Tables</b> |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>Financial Trends</b>                       | These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.                                                                | 1-4           |
| <b>Revenue Capacity</b>                       | These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.                                                                                  | 5-9           |
| <b>Debt Capacity</b>                          | These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                    | 10-15         |
| <b>Demographic &amp; Economic Information</b> | These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                                   | 16-17         |
| <b>Operating information</b>                  | These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 18-20         |

**Sources:** Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF DALLAS, TEXAS**  
**NET POSITION BY COMPONENT**  
Last Ten Fiscal Years (Unaudited)  
(accrual basis of accounting)  
(in thousands)

|                                                 | 2012                    | 2013                    | 2014 <sup>(1)</sup>     | 2015                   |
|-------------------------------------------------|-------------------------|-------------------------|-------------------------|------------------------|
| <b>Governmental Activities</b>                  |                         |                         |                         |                        |
| Net investment in capital assets                | \$ 2,201,645            | \$ 2,241,628            | \$ 2,406,821            | \$ 2,520,158           |
| Restricted                                      | 159,022                 | 216,280                 | 144,269                 | 195,210                |
| Unrestricted                                    | <u>(279,979)</u>        | <u>(294,490)</u>        | <u>(306,474)</u>        | <u>(5,393,940)</u>     |
| <br>Total Governmental Activities net position  | <br><u>2,080,688</u>    | <br><u>2,163,418</u>    | <br><u>2,244,616</u>    | <br><u>(2,678,572)</u> |
| <b>Business-Type Activities</b>                 |                         |                         |                         |                        |
| Net investment in capital assets                | 2,648,976               | 2,738,208               | 2,770,931               | 2,778,732              |
| Restricted for debt service                     | 214,249                 | 212,472                 | 223,230                 | 261,399                |
| Unrestricted                                    | <u>290,977</u>          | <u>292,801</u>          | <u>362,862</u>          | <u>239,436</u>         |
| <br>Total Business-Type Activities net position | <br><u>3,154,202</u>    | <br><u>3,243,481</u>    | <br><u>3,357,023</u>    | <br><u>3,279,567</u>   |
| <b>Primary government</b>                       |                         |                         |                         |                        |
| Net investment in capital assets                | 4,850,621               | 4,979,836               | 5,177,752               | 5,298,890              |
| Restricted                                      | 373,271                 | 428,752                 | 367,499                 | 456,609                |
| Unrestricted                                    | <u>10,998</u>           | <u>(1,689)</u>          | <u>56,388</u>           | <u>(5,154,504)</u>     |
| <br>Total primary government net position       | <br><u>\$ 5,234,890</u> | <br><u>\$ 5,406,899</u> | <br><u>\$ 5,601,639</u> | <br><u>\$ 600,995</u>  |

<sup>(1)</sup> 2014 was not restated because the information was not available.

<sup>(2)</sup> In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

<sup>(3)</sup> 2017 was not restated because the information was not available.

<sup>(4)</sup> The 2018 classifications of net position for the Business-Type Activities have been updated to be consistent with the 2019 presentation.

\*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent year's Comprehensive Annual Financial Report, Management Discussion and Analysis

**Table 1**

| 2016 <sup>(2)</sup> | 2017 <sup>(3)</sup> | 2018 <sup>(4)</sup> | 2019               | 2020                | 2021                |
|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|
| \$ 2,640,551        | \$ 2,746,024        | \$ 2,818,586        | \$ 2,776,179       | \$ 2,779,462        | \$ 3,076,131        |
| 169,538             | 180,303             | 263,184             | 272,002            | 477,600             | 418,226             |
| (6,163,516)         | (6,773,455)         | (5,903,832)         | (5,752,159)        | (5,560,832)         | (4,941,205)         |
| <u>(3,353,427)</u>  | <u>(3,847,128)</u>  | <u>(2,822,062)</u>  | <u>(2,703,978)</u> | <u>(2,303,770)</u>  | <u>(1,446,848)</u>  |
| 2,917,498           | 3,009,285           | 3,200,152           | 3,292,594          | 3,389,626           | 3,453,373           |
| 288,970             | 360,630             | 362,960             | 394,465            | 421,790             | 429,744             |
| 1,946               | (50,473)            | (142,755)           | (224,444)          | (285,914)           | (265,533)           |
| <u>3,208,414</u>    | <u>3,319,442</u>    | <u>3,420,357</u>    | <u>3,462,615</u>   | <u>3,525,502</u>    | <u>3,617,584</u>    |
| 5,558,049           | 5,755,309           | 6,018,738           | 6,068,773          | 6,169,088           | 6,529,504           |
| 458,508             | 540,933             | 626,144             | 666,467            | 899,390             | 847,970             |
| (6,161,570)         | (6,823,928)         | (6,046,587)         | (5,976,603)        | (5,846,746)         | (5,206,738)         |
| <u>\$ (145,013)</u> | <u>\$ (527,686)</u> | <u>\$ 598,295</u>   | <u>\$ 758,637</u>  | <u>\$ 1,221,732</u> | <u>\$ 2,170,736</u> |

**CITY OF DALLAS, TEXAS**  
**CHANGE IN NET POSITION**  
Last Ten Fiscal Years (Unaudited)  
(accrual basis of accounting)  
(in thousands)

| <b>Expenses</b>                                     | 2012              | 2013              | 2014 (1)          | 2015              |
|-----------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Governmental Activities:</b>                     |                   |                   |                   |                   |
| General government                                  | \$ 190,927        | \$ 191,643        | \$ 263,147        | \$ 220,164        |
| Public safety                                       | 690,906           | 684,636           | 684,808           | 594,747           |
| Code enforcement (2)                                | -                 | -                 | -                 | -                 |
| Environmental and health services                   | 20,689            | 19,026            | 16,747            | 18,067            |
| Streets, lighting, sanitation, code enforcement (3) | 177,005           | 194,248           | 192,981           | 213,665           |
| Public works and transportation                     | 120,640           | 66,755            | 62,168            | 74,130            |
| Equipment and building services                     | 22,999            | 28,259            | 35,369            | 36,917            |
| Cultural and recreation                             | 119,466           | 135,934           | 142,519           | 160,527           |
| Housing                                             | 10,230            | 12,998            | 10,367            | 17,529            |
| Human services                                      | 25,640            | 21,995            | 24,006            | 20,451            |
| Interest on long-term debt                          | 84,824            | 74,193            | 75,133            | 63,404            |
| <b>Total Governmental Activities</b>                | <u>1,463,326</u>  | <u>1,429,687</u>  | <u>1,507,245</u>  | <u>1,419,601</u>  |
| <b>Business-Type Activities:</b>                    |                   |                   |                   |                   |
| Dallas water utilities                              | 429,313           | 436,858           | 429,034           | 499,585           |
| Convention center                                   | 80,412            | 93,115            | 90,377            | 92,661            |
| Airport revenues                                    | 65,526            | 77,516            | 91,807            | 103,950           |
| Sanitation (2)                                      | -                 | -                 | -                 | -                 |
| Municipal radio                                     | 2,390             | 2,312             | 2,047             | 2,254             |
| Building inspection                                 | 17,579            | 21,021            | 23,647            | 28,704            |
| <b>Total Business-Type Activities</b>               | <u>595,220</u>    | <u>630,822</u>    | <u>636,912</u>    | <u>727,154</u>    |
| <b>Total primary government expenses</b>            | <u>2,058,546</u>  | <u>2,060,509</u>  | <u>2,144,157</u>  | <u>2,146,755</u>  |
| <b>Program revenues</b>                             |                   |                   |                   |                   |
| <b>Governmental Activities:</b>                     |                   |                   |                   |                   |
| Charges for services                                |                   |                   |                   |                   |
| General government                                  | 92,813            | 101,896           | 100,673           | 104,237           |
| Public safety                                       | 64,196            | 74,746            | 59,061            | 74,126            |
| Code enforcement (2)                                | 108,354           | 102,117           | 102,621           | 109,391           |
| Environmental and health services                   | -                 | -                 | -                 | -                 |
| Streets, public works, and transportation (3)       | 8,113             | 13,361            | 13,143            | 5,572             |
| Equipment and building services                     | 911               | 807               | 882               | 979               |
| Cultural and recreation                             | 16,862            | 19,503            | 21,021            | 19,972            |
| Housing                                             | 1,899             | 3,488             | 2,234             | 1,994             |
| Human Services                                      | 1,728             | 142               | 146               | 118               |
| Operating grants and contributions                  | 112,654           | 77,534            | 70,935            | 77,038            |
| Capital grants and contributions                    | 13,823            | 39,035            | 85,718            | 59,712            |
| <b>Total Governmental Activities</b>                | <u>421,353</u>    | <u>432,629</u>    | <u>456,434</u>    | <u>453,139</u>    |
| <b>Business-Type Activities:</b>                    |                   |                   |                   |                   |
| Charges for services                                |                   |                   |                   |                   |
| Dallas water utilities                              | 527,374           | 551,498           | 564,546           | 573,327           |
| Convention center                                   | 28,727            | 27,936            | 24,207            | 28,211            |
| Airport revenues                                    | 64,052            | 70,553            | 84,426            | 109,777           |
| Sanitation (2)                                      | -                 | -                 | -                 | -                 |
| Municipal radio                                     | 2,398             | 1,920             | 1,908             | 1,975             |
| Building inspection                                 | 23,429            | 26,867            | 28,208            | 31,378            |
| Operating grants and contributions                  | 606               | 5,192             | 5,699             | 5,937             |
| Capital grants and contributions                    | 21,734            | 53,977            | 16,586            | 21,135            |
| <b>Total Business-Type Activities</b>               | <u>668,320</u>    | <u>737,943</u>    | <u>725,580</u>    | <u>771,740</u>    |
| <b>Total primary government program revenues</b>    | <u>1,089,673</u>  | <u>1,170,572</u>  | <u>1,182,014</u>  | <u>1,224,879</u>  |
| <b>Net (Expense) Revenue</b>                        |                   |                   |                   |                   |
| Governmental Activities                             | (1,041,973)       | (997,058)         | (1,050,811)       | (966,462)         |
| Business-Type Activities                            | 73,100            | 107,121           | 88,668            | 44,586            |
| <b>Total primary government net expense</b>         | <u>(968,873)</u>  | <u>(889,937)</u>  | <u>(962,143)</u>  | <u>(921,876)</u>  |
| <b>General Revenues:</b>                            |                   |                   |                   |                   |
| Taxes:                                              |                   |                   |                   |                   |
| Ad valorem tax                                      | 649,459           | 659,693           | 687,573           | 735,913           |
| Sales taxes                                         | 231,327           | 243,697           | 257,467           | 275,250           |
| Franchise taxes                                     | 129,508           | 131,009           | 136,951           | 132,719           |
| Tax increment financing, intergovernmental          | 6,172             | 6,937             | 4,108             | 4,892             |
| Special assessments                                 | -                 | -                 | -                 | -                 |
| Interest on investments                             | 6,469             | 2,526             | 2,667             | 7,550             |
| Miscellaneous                                       | 17,558            | 14,448            | 11,235            | 43,588            |
| Transfer                                            | 19,402            | 21,478            | 32,008            | 23,120            |
| <b>Total general revenues</b>                       | <u>1,059,895</u>  | <u>1,079,788</u>  | <u>1,132,009</u>  | <u>1,223,032</u>  |
| <b>Business-Type Activities:</b>                    |                   |                   |                   |                   |
| Hotel occupancy tax                                 | 40,047            | 45,182            | 50,374            | 53,931            |
| Motor vehicle tax                                   | -                 | -                 | -                 | -                 |
| Alcohol beverage tax                                | 6,728             | 7,648             | 10,256            | 11,247            |
| Investment Income                                   | 3,626             | 1,964             | 2,416             | 5,901             |
| Miscellaneous                                       | 866               | 908               | 208               | 314               |
| Transfer                                            | (19,402)          | (21,478)          | (32,008)          | (23,120)          |
| Special item                                        | (13,664)          | (22,066)          | (6,372)           | -                 |
| <b>Total Business-Type Activities</b>               | <u>18,201</u>     | <u>12,158</u>     | <u>24,874</u>     | <u>48,273</u>     |
| <b>Change in Net Position</b>                       |                   |                   |                   |                   |
| Governmental Activities                             | 17,922            | 82,730            | 81,198            | 256,570           |
| Business-Type Activities                            | 91,301            | 119,279           | 113,542           | 92,859            |
| <b>Total primary government</b>                     | <u>\$ 109,223</u> | <u>\$ 202,009</u> | <u>\$ 194,740</u> | <u>\$ 349,429</u> |

(1) Fiscal year 2014 beginning net position was not restated because information was not available.

(2) In fiscal year 2017, streets, public works, and transportation were combined. Code enforcement was reported separately.

(3) In fiscal year 2016, Sanitation was reclassified from governmental activities to business-type activities.

(4) Fiscal year 2017 beginning net position was not restated because information was not available.

\*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent year's Comprehensive Annual Financial Report, Management Discussion and Analysis

Table 2

| 2016                | 2017 (4)            | 2018                | 2019               | 2020               | 2021              |
|---------------------|---------------------|---------------------|--------------------|--------------------|-------------------|
| \$ 339,671          | \$ 312,279          | \$ 371,548          | \$ 525,676         | \$ 455,389         | \$ 534,764        |
| 1,345,492           | 1,284,942           | (350,079)           | 672,991            | 674,112            | 306,796           |
| -                   | 60,897              | 51,710              | 63,709             | 49,083             | 51,616            |
| 19,431              | 17,455              | 18,897              | 16,978             | 16,281             | 16,660            |
| 195,187             | 222,444             | -                   | -                  | -                  | -                 |
| 88,141              | -                   | 202,815             | 219,484            | 205,933            | 216,691           |
| 50,829              | 46,620              | 50,980              | 50,025             | 40,137             | 50,843            |
| 222,921             | 201,716             | 213,337             | 224,008            | 188,982            | 179,249           |
| 32,694              | 23,696              | 15,045              | 6,731              | 3,494              | 3,528             |
| 26,789              | 25,703              | 21,294              | 22,908             | 23,493             | 32,214            |
| 80,890              | 70,676              | 70,693              | 78,124             | 76,948             | 58,792            |
| <u>2,402,045</u>    | <u>2,266,428</u>    | <u>666,240</u>      | <u>1,880,634</u>   | <u>1,733,852</u>   | <u>1,451,153</u>  |
| 586,505             | 524,308             | 553,038             | 604,779            | 591,692            | 623,532           |
| 105,869             | 105,864             | 106,487             | 115,311            | 84,969             | 86,849            |
| 137,143             | 144,903             | 143,697             | 163,250            | 152,267            | 160,158           |
| 116,152             | 103,363             | 100,252             | 132,349            | 116,743            | 125,350           |
| 3,009               | 2,290               | 2,187               | 2,784              | 2,870              | 2,013             |
| 45,988              | 38,338              | 36,729              | 48,510             | 36,589             | 42,584            |
| 994,666             | 919,066             | 942,390             | 1,066,983          | 985,130            | 1,040,486         |
| <u>3,396,711</u>    | <u>3,185,494</u>    | <u>1,608,630</u>    | <u>2,947,617</u>   | <u>2,718,982</u>   | <u>2,491,639</u>  |
| 115,901             | 110,857             | 115,092             | 126,722            | 128,650            | 130,523           |
| 102,308             | 116,033             | 100,658             | 77,288             | 83,899             | 87,260            |
| 18,984              | 9,959               | 10,654              | 9,719              | 8,044              | 12,638            |
| 71                  | 289                 | -                   | -                  | 120                | 146               |
| 6,551               | 4,378               | 19,714              | 6,337              | 7,117              | 9,451             |
| 1,157               | 886                 | 1,241               | 463                | 394                | 1,007             |
| 21,467              | 21,831              | 21,853              | 22,367             | 11,859             | 15,016            |
| 2,973               | 1,646               | 2,782               | 789                | 375                | 1,232             |
| 122                 | 104                 | -                   | -                  | -                  | -                 |
| 75,560              | 73,693              | 72,807              | 72,000             | 202,759            | 253,997           |
| 31,092              | 64,858              | 52,942              | 78,769             | 48,349             | 54,979            |
| <u>376,186</u>      | <u>404,534</u>      | <u>397,743</u>      | <u>394,454</u>     | <u>491,566</u>     | <u>566,249</u>    |
| 607,329             | 632,469             | 668,624             | 617,510            | 635,940            | 675,180           |
| 32,858              | 32,892              | 34,361              | 41,180             | 29,725             | 26,341            |
| 123,757             | 133,677             | 156,167             | 182,475            | 146,976            | 166,997           |
| 102,283             | 106,618             | 110,918             | 123,590            | 122,154            | 131,264           |
| 1,608               | 1,636               | 1,751               | 1,771              | 1,500              | 1,229             |
| 33,648              | 33,552              | 34,387              | 36,871             | 32,866             | 35,669            |
| 6,343               | 6,296               | 6,356               | 6,039              | 31,095             | 15,414            |
| 37,317              | 22,050              | 34,217              | 29,050             | 22,003             | 56,880            |
| 945,143             | 969,190             | 1,046,781           | 1,038,486          | 1,022,259          | 1,108,974         |
| <u>1,321,329</u>    | <u>1,373,724</u>    | <u>1,444,524</u>    | <u>1,432,940</u>   | <u>1,513,825</u>   | <u>1,675,223</u>  |
| (2,025,859)         | (1,861,894)         | (268,497)           | (1,486,180)        | (1,242,286)        | (884,904)         |
| (49,523)            | 50,124              | 104,391             | (28,497)           | 37,129             | 68,488            |
| <u>(2,075,382)</u>  | <u>(1,811,770)</u>  | <u>(164,106)</u>    | <u>(1,514,677)</u> | <u>(1,205,157)</u> | <u>(816,416)</u>  |
| 791,420             | 854,136             | 914,272             | 998,861            | 1,080,445          | 1,154,660         |
| 285,669             | 295,361             | 307,149             | 320,413            | 314,385            | 354,288           |
| 140,184             | 144,205             | 151,793             | 140,822            | 125,921            | 131,130           |
| 6,473               | 8,829               | 11,139              | 12,766             | 12,553             | 11,136            |
| -                   | -                   | 31,070              | 33,038             | 28,525             | 27,766            |
| 10,089              | 9,567               | 16,601              | 36,304             | 22,885             | 4,404             |
| 16,771              | 13,792              | 19,372              | 21,530             | 12,645             | 23,321            |
| 32,856              | 42,303              | 45,157              | 40,530             | 45,135             | 35,121            |
| <u>1,283,462</u>    | <u>1,368,193</u>    | <u>1,496,553</u>    | <u>1,604,264</u>   | <u>1,642,494</u>   | <u>1,741,826</u>  |
| 59,225              | 59,746              | 65,307              | 67,836             | 41,602             | 40,416            |
| -                   | -                   | -                   | -                  | -                  | -                 |
| 12,058              | 12,624              | 13,323              | 13,877             | 9,747              | 12,935            |
| 6,786               | 6,505               | 13,279              | 28,999             | 18,823             | 4,515             |
| 699                 | 24,332              | 1,343               | 673                | 621                | 849               |
| (32,856)            | (42,303)            | (45,157)            | (40,530)           | (45,135)           | (35,121)          |
| -                   | -                   | -                   | -                  | -                  | -                 |
| <u>45,912</u>       | <u>60,904</u>       | <u>48,095</u>       | <u>70,855</u>      | <u>25,658</u>      | <u>23,594</u>     |
| (742,397)           | (493,701)           | 1,228,056           | 118,084            | 400,208            | 856,922           |
| (3,611)             | 111,028             | 152,486             | 42,358             | 62,787             | 92,082            |
| <u>\$ (746,008)</u> | <u>\$ (382,673)</u> | <u>\$ 1,380,542</u> | <u>\$ 160,442</u>  | <u>\$ 462,995</u>  | <u>\$ 949,004</u> |

**CITY OF DALLAS, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**

Last Ten Fiscal Years (Unaudited)  
(modified accrual basis of accounting)  
(in thousands)

|                                    | 2012              | 2013              | 2014              | 2015              |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund                       |                   |                   |                   |                   |
| Nonspendable                       | \$ 9,289          | \$ 9,324          | \$ 10,044         | \$ 9,894          |
| Restricted                         | 11,431            | 8,506             | 11,236            | 8,485             |
| Committed                          | 1,490             | 1,250             | 1,250             | 10,570            |
| Assigned                           | 25,621            | 17,086            | 28,905            | 29,603            |
| Unassigned                         | 101,205           | 120,839           | 129,239           | 141,550           |
| Total General Fund                 | <u>149,036</u>    | <u>157,005</u>    | <u>180,674</u>    | <u>200,102</u>    |
| All Other Governmental Funds       |                   |                   |                   |                   |
| Nonspendable                       | 13,116            | 13,647            | 13,885            | 17,119            |
| Restricted                         | 521,775           | 546,308           | 367,619           | 650,698           |
| Committed                          | 11,540            | 14,406            | 14,541            | 14,602            |
| Total All Other Governmental Funds | <u>546,431</u>    | <u>574,361</u>    | <u>396,045</u>    | <u>682,419</u>    |
| Total all Governmental Funds       | <u>\$ 695,467</u> | <u>\$ 731,366</u> | <u>\$ 576,719</u> | <u>\$ 882,521</u> |

<sup>(1)</sup> In fiscal year 2016, Sanitation was reclassified from governmental funds to enterprise funds.

Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent years' Comprehensive Annual Financial Report, notes to the financial statements



**Table 3**

| 2016 <sup>(1)</sup> | 2017              | 2018                | 2019                | 2020                | 2021                |
|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 10,659           | \$ 11,143         | \$ 11,227           | \$ 13,385           | \$ 15,385           | \$ 16,006           |
| 9,593               | 12,061            | 10,244              | 11,185              | 8,724               | 6,627               |
| 1,250               | 1,250             | 1,250               | 1,250               | 2,000               | 2,000               |
| 15,836              | 38,963            | 20,727              | 37,109              | 41,071              | 51,565              |
| 153,693             | 171,747           | 212,806             | 234,225             | 277,451             | 324,300             |
| 191,031             | 235,164           | 256,254             | 297,154             | 344,631             | 400,498             |
| 17,484              | 14,044            | 10,102              | 9,937               | 10,326              | 12,048              |
| 761,184             | 658,712           | 894,157             | 997,796             | 990,368             | 989,118             |
| 13,781              | 17,186            | 22,642              | 25,393              | 30,177              | 33,252              |
| 792,449             | 689,942           | 926,901             | 1,033,126           | 1,030,871           | 1,034,418           |
| <u>\$ 983,480</u>   | <u>\$ 925,106</u> | <u>\$ 1,183,155</u> | <u>\$ 1,330,280</u> | <u>\$ 1,375,502</u> | <u>\$ 1,434,916</u> |

**CITY OF DALLAS, TEXAS**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

Last Ten Fiscal Years (Unaudited)  
(modified accrual basis of accounting)  
(in thousands)

|                                                             | 2012                | 2013             | 2014                | 2015              |
|-------------------------------------------------------------|---------------------|------------------|---------------------|-------------------|
| <b>REVENUES:</b>                                            |                     |                  |                     |                   |
| Ad valorem taxes                                            | \$ 650,701          | \$ 660,496       | \$ 687,891          | \$ 734,885        |
| Tax increment financing, intergovernmental                  | 6,172               | 6,937            | 4,108               | 4,892             |
| Sales taxes                                                 | 231,327             | 243,697          | 257,467             | 275,250           |
| Franchise fees                                              | 129,508             | 131,009          | 136,951             | 132,719           |
| Licenses and permits                                        | 6,185               | 6,271            | 6,232               | 6,047             |
| Intergovernmental                                           | 118,042             | 102,879          | 99,326              | 87,633            |
| Service to others                                           | 224,869             | 236,911          | 255,997             | 261,685           |
| Fines and forfeitures                                       | 36,336              | 35,525           | 34,079              | 34,879            |
| Investment income                                           | 6,350               | 2,454            | 2,542               | 7,235             |
| Special assessments                                         | -                   | -                | -                   | -                 |
| Contributions and gifts                                     | 8,555               | 19,367           | 32,057              | 25,848            |
| Confiscated money awards                                    | 2,883               | 2,253            | 3,493               | 4,764             |
| Other revenues                                              | 4,764               | 3,215            | 7,671               | 9,401             |
| Total revenues                                              | <u>1,425,692</u>    | <u>1,451,014</u> | <u>1,527,814</u>    | <u>1,585,238</u>  |
| <b>EXPENDITURES:</b>                                        |                     |                  |                     |                   |
| Current:                                                    |                     |                  |                     |                   |
| General government                                          | 170,268             | 172,910          | 227,195             | 203,780           |
| Public safety                                               | 623,260             | 643,510          | 656,941             | 685,444           |
| Code enforcement <sup>(1)</sup>                             | 157,829             | 165,875          | 175,853             | 186,631           |
| Environmental and health services                           | 20,623              | 18,629           | 16,662              | 17,757            |
| Streets, public works, and transportation <sup>(1)(2)</sup> | 20,336              | 28,548           | 19,467              | 17,257            |
| Equipment and building services                             | 17,406              | 21,290           | 25,648              | 23,439            |
| Culture and recreation                                      | 101,776             | 110,676          | 120,198             | 129,866           |
| Housing                                                     | 8,327               | 9,499            | 10,290              | 13,551            |
| Human services                                              | 26,677              | 22,747           | 20,741              | 20,440            |
| Debt Service:                                               |                     |                  |                     |                   |
| Principal                                                   | 154,600             | 147,293          | 147,177             | 168,962           |
| Interest and fiscal charges                                 | 88,608              | 78,611           | 79,256              | 84,543            |
| Payment to refunded bond escrow agent                       | -                   | 3,204            | -                   | -                 |
| Capital outlay                                              | 237,055             | 240,196          | 265,262             | 204,012           |
| Total expenditures                                          | <u>1,626,765</u>    | <u>1,662,988</u> | <u>1,764,690</u>    | <u>1,755,682</u>  |
| Excess(deficiency) of revenues<br>over expenditures         | <u>(201,073)</u>    | <u>(211,974)</u> | <u>(236,876)</u>    | <u>(170,444)</u>  |
| <b>OTHER FINANCING SOURCES(USES):</b>                       |                     |                  |                     |                   |
| Transfers in                                                | 48,093              | 38,508           | 57,022              | 41,053            |
| Transfers out                                               | (23,330)            | (14,178)         | (18,647)            | (15,357)          |
| Proceeds from sale of capital assets                        | 8,157               | 17,427           | 2,238               | 32,976            |
| Premium on debt issued                                      | 3,261               | 69,304           | -                   | 95,392            |
| Issuance of long-term debt                                  | 47,888              | 517,671          | 41,616              | 388,895           |
| Payment to refunded bond escrow agent                       | -                   | (380,859)        | -                   | (271,433)         |
| Proceeds from repayment of notes receivable                 | -                   | -                | -                   | -                 |
| Refunding bonds issued                                      | -                   | -                | -                   | 204,720           |
| Total other financing sources(uses)                         | <u>84,069</u>       | <u>247,873</u>   | <u>82,229</u>       | <u>476,246</u>    |
| Net change in fund balance                                  | <u>\$ (117,004)</u> | <u>\$ 35,899</u> | <u>\$ (154,647)</u> | <u>\$ 305,802</u> |
| Debt service as a percentage of<br>noncapital expenditures  | 17.50%              | 15.88%           | 15.10%              | 16.34%            |

<sup>(1)</sup> In fiscal year 2017, streets, public works, and transportation were combined.  
Code enforcement was reported separately.

<sup>(2)</sup> In fiscal year 2016, Sanitation was reclassified from governmental funds to enterprise funds.

\*Source: Comprehensive Annual Financial Report for the respective years unless restated, which is from the subsequent years' Comprehensive Annual Financial Report, notes to the financial statements.

**Table 4**

| 2016 <sup>(1)</sup> | 2017               | 2018              | 2019              | 2020             | 2021             |
|---------------------|--------------------|-------------------|-------------------|------------------|------------------|
| \$ 791,087          | \$ 853,733         | \$ 912,645        | \$ 1,000,380      | \$ 1,076,976     | \$ 1,153,474     |
| 6,473               | 8,829              | 11,139            | 12,766            | 12,553           | 11,136           |
| 285,669             | 295,361            | 307,149           | 320,413           | 314,385          | 354,288          |
| 140,184             | 144,205            | 151,793           | 140,822           | 125,921          | 131,130          |
| 6,232               | 5,242              | 10,555            | 12,612            | 9,274            | 11,791           |
| 98,329              | 95,019             | 82,637            | 74,820            | 211,170          | 263,712          |
| 182,959             | 192,420            | 197,862           | 182,517           | 196,546          | 207,128          |
| 39,262              | 37,336             | 36,278            | 41,931            | 25,051           | 25,444           |
| 9,804               | 9,324              | 15,801            | 34,471            | 21,886           | 4,262            |
| -                   | -                  | 31,070            | 33,038            | 28,525           | 27,766           |
| 15,270              | 18,931             | 23,580            | 29,712            | 33,852           | 29,835           |
| 3,256               | 2,810              | 4,063             | 2,561             | 2,661            | 1,820            |
| 12,640              | 14,898             | 18,129            | 12,566            | 8,615            | 14,995           |
| <u>1,591,165</u>    | <u>1,678,108</u>   | <u>1,802,701</u>  | <u>1,898,609</u>  | <u>2,067,415</u> | <u>2,236,781</u> |
| 224,342             | 240,142            | 314,174           | 380,273           | 440,845          | 465,568          |
| 700,430             | 721,753            | 752,278           | 784,018           | 854,425          | 897,953          |
| 129,472             | 40,509             | 42,717            | 43,779            | 44,628           | 45,712           |
| 18,576              | 16,597             | 16,650            | 16,467            | 15,691           | 16,492           |
| 18,046              | 112,924            | 107,830           | 128,348           | 126,573          | 139,498          |
| 24,375              | 25,411             | 25,564            | 22,939            | 25,183           | 34,673           |
| 140,566             | 147,098            | 159,837           | 151,242           | 149,912          | 146,157          |
| 11,932              | 14,075             | 3,954             | 3,098             | 2,707            | 2,632            |
| 25,285              | 25,284             | 19,325            | 22,679            | 21,806           | 37,590           |
| 165,234             | 169,820            | 168,406           | 205,032           | 204,515          | 378,200          |
| 93,109              | 89,778             | 96,318            | 101,030           | 105,692          | 90,869           |
| 2,880               | -                  | 30,675            | -                 | -                | -                |
| 228,726             | 213,060            | 266,364           | 268,765           | 296,412          | 381,256          |
| <u>1,782,973</u>    | <u>1,816,451</u>   | <u>2,004,092</u>  | <u>2,127,670</u>  | <u>2,288,389</u> | <u>2,636,600</u> |
| <u>(191,808)</u>    | <u>(138,343)</u>   | <u>(201,391)</u>  | <u>(229,061)</u>  | <u>(220,974)</u> | <u>(399,819)</u> |
| 54,465              | 64,359             | 77,495            | 79,755            | 97,317           | 80,653           |
| (19,265)            | (28,929)           | (87,574)          | (209,288)         | (43,360)         | (32,681)         |
| 610                 | 342                | 716               | 1,711             | 320              | 8,738            |
| 31,556              | -                  | 36,444            | 51,803            | 3,798            | 26,255           |
| 230,310             | 44,197             | 432,359           | 452,205           | 208,121          | 472,599          |
| -                   | -                  | -                 | -                 | -                | (96,331)         |
| 6,143               | -                  | -                 | -                 | -                | -                |
| 2,880               | -                  | -                 | -                 | -                | -                |
| <u>306,699</u>      | <u>79,969</u>      | <u>459,440</u>    | <u>376,186</u>    | <u>266,196</u>   | <u>459,233</u>   |
| <u>\$ 114,891</u>   | <u>\$ (58,374)</u> | <u>\$ 258,049</u> | <u>\$ 147,125</u> | <u>\$ 45,222</u> | <u>\$ 59,414</u> |
| 16.62%              | 16.19%             | 15.23%            | 16.46%            | 15.57%           | 20.80%           |

Table 5

**CITY OF DALLAS, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE**  
**OF TAXABLE PROPERTY**

Last Ten Fiscal Years (Unaudited)  
(in thousands)

| Fiscal Year | Real Property<br>Estimated<br>Market<br>Value <sup>(2)</sup> | Personal<br>Property<br>Estimated<br>Market<br>Value <sup>(2)</sup> | Less:<br>Tax-Exempt<br>Property <sup>(2)</sup> | Total<br>Taxable<br>Assessed<br>Value <sup>(1) (4)</sup> | Total<br>Direct<br>Tax<br>Rate <sup>(3)</sup> |
|-------------|--------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------|-----------------------------------------------|
| 2011        | \$ 94,008,753                                                | \$ 13,706,221                                                       | \$ (24,289,495)                                | \$ 83,425,479                                            | 0.7970                                        |
| 2012        | 92,312,007                                                   | 13,741,870                                                          | (24,060,131)                                   | 81,993,746                                               | 0.7970                                        |
| 2013        | 94,522,089                                                   | 14,203,657                                                          | (25,044,024)                                   | 83,681,722                                               | 0.7970                                        |
| 2014        | 98,764,424                                                   | 14,903,530                                                          | (26,416,432)                                   | 87,251,522                                               | 0.7970                                        |
| 2015        | 106,519,690                                                  | 14,900,052                                                          | (28,281,532)                                   | 93,138,210                                               | 0.7970                                        |
| 2016        | 115,476,547                                                  | 15,323,489                                                          | (30,481,099)                                   | 100,318,937                                              | 0.7970                                        |
| 2017        | 128,220,454                                                  | 15,903,571                                                          | (33,736,396)                                   | 110,387,629                                              | 0.7825                                        |
| 2018        | 139,265,026                                                  | 16,381,314                                                          | (37,331,663)                                   | 118,314,677                                              | 0.7804                                        |
| 2019        | 154,913,351                                                  | 17,625,961                                                          | (42,458,326)                                   | 130,080,986                                              | 0.7767                                        |
| 2020        | 170,062,755                                                  | 17,610,106                                                          | (47,435,229)                                   | 140,237,632                                              | 0.7766                                        |
| 2021        | 182,020,035                                                  | 17,625,961                                                          | (52,202,479)                                   | 147,443,517                                              | 0.7763                                        |

## Notes:

- (1) Total Taxable Assessed Value represents original certified taxable value determined by the Dallas, Collin, Denton, and Rockwall Central Appraisal District.
- (2) Values for each fiscal year reflect the tax rolls of the previous year (i.e., 2021 fiscal year reflects 2020 tax roll). See Note 1 in the Notes to the Financial Statements for more information.
- (3) Per \$100 of valuation.
- (4) Exemptions are granted by the City within the constraints of Texas Constitutional law SC 5.

Source: Dallas Central Appraisal District

**CITY OF DALLAS, TEXAS**  
**CITY TAX RATE DISTRIBUTION**  
 Last Ten Fiscal Years (Unaudited)  
 (Per \$100 of Assessed Value)  
 (in thousands)

|                     | <u>2012</u>      | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund        | \$ 0.5379        | \$ 0.5439        | \$ 0.5601        | \$ 0.5646        | \$ 0.5646        | \$ 0.5601        | \$ 0.5580        | \$ 0.5667        | \$ 0.5691        | \$ 0.5688        |
| Debt Service Fund   | 0.2591           | 0.2531           | 0.2369           | 0.2324           | 0.2324           | 0.2224           | 0.2224           | 0.2100           | 0.2075           | 0.2075           |
| Total City Tax Rate | <u>\$ 0.7970</u> | <u>\$ 0.7970</u> | <u>\$ 0.7970</u> | <u>\$ 0.7970</u> | <u>\$ 0.7970</u> | <u>\$ 0.7825</u> | <u>\$ 0.7804</u> | <u>\$ 0.7767</u> | <u>\$ 0.7766</u> | <u>\$ 0.7763</u> |

Source: Dallas Central Appraisal District

Table 7

**CITY OF DALLAS, TEXAS**  
**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING TAX RATES**  
**(PER \$100 OF ASSESSED VALUE)**  
 Last Ten Fiscal Years (Unaudited)

| Fiscal Year | City Direct Rates <sup>(1)</sup> |                                          | Overlapping Rates <sup>(2)</sup> |                                                      |                                             |                                            |                                          | Total<br>Ad valorem<br>Rate |
|-------------|----------------------------------|------------------------------------------|----------------------------------|------------------------------------------------------|---------------------------------------------|--------------------------------------------|------------------------------------------|-----------------------------|
|             | Operating<br>General<br>Rates    | General<br>Obligation<br>Debt<br>Service | Dallas<br>County                 | Dallas<br>County<br>Community<br>College<br>District | Dallas<br>Independent<br>School<br>District | Dallas<br>County<br>School<br>Equalization | Dallas<br>County<br>Hospital<br>District |                             |
| 2012        | 0.53790                          | 0.25910                                  | 0.24310                          | 0.09967                                              | 1.29035                                     | 0.01000                                    | 0.27100                                  | 2.71112                     |
| 2013        | 0.54390                          | 0.25310                                  | 0.24310                          | 0.11938                                              | 1.29035                                     | 0.00994                                    | 0.27100                                  | 2.73077                     |
| 2014        | 0.56010                          | 0.23690                                  | 0.24310                          | 0.12470                                              | 1.28209                                     | 0.01000                                    | 0.27600                                  | 2.73289                     |
| 2015        | 0.56460                          | 0.23240                                  | 0.24310                          | 0.12478                                              | 1.28209                                     | 0.01000                                    | 0.28600                                  | 2.74297                     |
| 2016        | 0.56460                          | 0.23240                                  | 0.24310                          | 0.12365                                              | 1.28209                                     | 0.01000                                    | 0.28600                                  | 2.74184                     |
| 2017        | 0.56010                          | 0.22240                                  | 0.24310                          | 0.12424                                              | 1.28209                                     | 0.01000                                    | 0.27940                                  | 2.72133                     |
| 2018        | 0.55800                          | 0.22240                                  | 0.24310                          | 0.12424                                              | 1.28209                                     | 0.01000                                    | 0.27940                                  | 2.71923                     |
| 2019        | 0.56670                          | 0.21000                                  | 0.24310                          | 0.12400                                              | 1.41204                                     | 0.01000                                    | 0.27940                                  | 2.84524                     |
| 2020        | 0.56910                          | 0.20750                                  | 0.24310                          | 0.12400                                              | 1.31039                                     | 0.01000                                    | 0.26950                                  | 2.73359                     |
| 2021        | 0.56880                          | 0.20750                                  | 0.23974                          | 0.12400                                              | 1.29674                                     | 0.01000                                    | 0.26610                                  | 2.71288                     |

Source: Dallas Central Appraisal District

<sup>(1)</sup> The City's basic property tax rate may be increased only by a majority vote of the City Council up to the limit of the State law, after which the City's residents may petition for a vote. Rates for debt service are set based on each year's requirements.

<sup>(2)</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Dallas.

Table 8

**CITY OF DALLAS, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years (Unaudited)  
 (in thousands)

| Fiscal Year | Actual Levy Year | Taxes Levied for the Fiscal Year | Collection Within the Fiscal Year of the Levy |                    | Collections in Subsequent Years | Total Collections to Date |                    |
|-------------|------------------|----------------------------------|-----------------------------------------------|--------------------|---------------------------------|---------------------------|--------------------|
|             |                  |                                  | Current tax collections                       | Percentage of Levy |                                 | Total Tax Collections     | Percentage of Levy |
| 2012        | 2011             | \$ 653,490                       | \$ 638,999                                    | 97.78%             | \$ 5,561                        | \$ 644,560                | 98.63%             |
| 2013        | 2012             | 666,943                          | 650,496                                       | 97.53%             | 4,572                           | 655,068                   | 98.22%             |
| 2014        | 2013             | 695,395                          | 678,179                                       | 97.52%             | 4,258                           | 682,437                   | 98.14%             |
| 2015        | 2014             | 742,312                          | 724,668                                       | 97.62%             | 4,468                           | 729,136                   | 98.23%             |
| 2016        | 2015             | 799,542                          | 780,733                                       | 97.65%             | 4,431                           | 785,164                   | 98.20%             |
| 2017        | 2016             | 863,783                          | 850,200                                       | 98.43%             | 4,853                           | 855,053                   | 98.99%             |
| 2018        | 2017             | 923,328                          | 902,849                                       | 97.78%             | 2,858                           | 905,707                   | 98.09%             |
| 2019        | 2018             | 1,010,339                        | 989,360                                       | 97.92%             | 3,905                           | 993,265                   | 98.31%             |
| 2020        | 2019             | 1,089,085                        | 1,066,926                                     | 97.97%             | 2,146                           | 1,069,072                 | 98.16%             |
| 2021        | 2020             | 1,144,604                        | 1,140,993                                     | 99.68%             | 3,708                           | 1,144,701                 | 100.01%            |

Source: Dallas County Tax Assessor/Collector.

**Table 9**

**CITY OF DALLAS, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS**  
Current Year and Nine Years Ago (Unaudited)  
(in thousands)

| Name of Taxpayer                     | Nature of Property       | 2021                       |      | 2012                       |                     | Rank | Percent of Total Taxable Assessed Valuation |
|--------------------------------------|--------------------------|----------------------------|------|----------------------------|---------------------|------|---------------------------------------------|
|                                      |                          | Taxable Assessed Valuation | Rank | Taxable Assessed Valuation | Rank                |      |                                             |
| Oncor Electric Delivery              | Electric Utility         | \$ 1,146,195               | 1    | 0.78%                      | 690,026             | 1    | 0.84%                                       |
| Northpark Land Partners              | Developer                | 678,664                    | 2    | 0.46%                      | 578,775             | 4    | 0.71%                                       |
| Texas Instruments                    | Electronic Manufacturing | 669,121                    | 3    | 0.45%                      | 678,673             | 3    | 0.83%                                       |
| Southwest Airlines                   | Air Transportation       | 614,165                    | 4    | 0.42%                      | 465,747             | 6    | 0.57%                                       |
| FM Village Fixed Rate LLC            | Developer                | 597,964                    | 5    | 0.41%                      | -                   | -    | 0.00%                                       |
| AT&T Corporation                     | Telephone Utility        | 558,602                    | 6    | 0.38%                      | 558,347             | 5    | 0.00%                                       |
| Atmos Energy                         | Gas Utility              | 414,093                    | 7    | 0.28%                      | -                   | -    | 0.00%                                       |
| Equinix LLC                          | Technology               | 412,126                    | 8    | 0.28%                      | -                   | -    | 0.00%                                       |
| Teachers Insurance                   | Insurance                | 370,218                    | 9    | 0.25%                      | -                   | -    | 0.00%                                       |
| TC Uptown Associates LLC             | Retailer                 | 335,807                    | 10   | 0.23%                      | -                   | -    | 0.00%                                       |
| Crescent TC Investors LP/Real Estate | Developer                | -                          | -    | -                          | 681,226             | 2    | 0.83%                                       |
| PC Village Apartments Dallas LP      | Developer                | -                          | -    | -                          | 299,138             | 7    | 0.36%                                       |
| Galeria Mall Investors LP            | Developer                | -                          | -    | -                          | 288,351             | 8    | 0.35%                                       |
| Walmart Stores, Inc.                 | Retailer                 | -                          | -    | -                          | 281,251             | 9    | 0.34%                                       |
| Post Properties Inc.                 | Developer                | -                          | -    | -                          | 208,666             | 10   | 0.25%                                       |
| <b>Total</b>                         |                          | <b>\$ 5,796,954</b>        |      | <b>3.93%</b>               | <b>\$ 4,730,201</b> |      | <b>5.09%</b>                                |

Source: Dallas County Tax Office



Table 10

**CITY OF DALLAS, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
Year Ended September 30, 2021 (Unaudited)  
(in thousands)

| <u>Governmental Unit</u>                                                                     | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable <sup>(1)</sup></u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|----------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------|--------------------------------------------------------|
| Direct Debt:                                                                                 |                             |                                                               |                                                        |
| City of Dallas                                                                               |                             |                                                               |                                                        |
| Debt repaid with property taxes                                                              |                             |                                                               |                                                        |
| General obligation bonds                                                                     | \$ 1,794,408                |                                                               | \$ 1,794,408                                           |
| Certificates of obligation                                                                   | 17,187                      |                                                               | 17,187                                                 |
| Equipment acquisition notes                                                                  | 53,365                      |                                                               | 53,365                                                 |
| Pension obligation bonds                                                                     | 315,511                     |                                                               | 315,511                                                |
| Other Debt                                                                                   |                             |                                                               |                                                        |
| Capital leases payable                                                                       | 103,001                     |                                                               | 103,001                                                |
| Commercial paper                                                                             | 159,676                     |                                                               | 159,676                                                |
| Long-term notes payable                                                                      | 19,025                      |                                                               | 19,025                                                 |
| Subtotal, direct debt                                                                        | <u>2,462,173</u>            | <u>100.00 %</u>                                               | <u>2,462,173</u>                                       |
| Overlapping Debt:                                                                            |                             |                                                               |                                                        |
| Carrollton-Farmers Branch ISD                                                                | 375,315                     | 7.55 %                                                        | 28,336                                                 |
| Cedar Hill ISD                                                                               | 101,107                     | 1.39 %                                                        | 1,405                                                  |
| Collin Co                                                                                    | 526,975                     | 3.58 %                                                        | 18,866                                                 |
| Collin Co CCD                                                                                | 514,470                     | 3.58 %                                                        | 18,418                                                 |
| Community ISD                                                                                | 118,470                     | 0.00 %                                                        | -                                                      |
| Coppell ISD                                                                                  | 351,914                     | 6.44 %                                                        | 22,663                                                 |
| Dallas Co                                                                                    | 116,665                     | 48.15 %                                                       | 56,174                                                 |
| Dallas Co CCD                                                                                | 115,750                     | 48.15 %                                                       | 55,734                                                 |
| Dallas Co Hosp Dist                                                                          | 575,530                     | 48.15 %                                                       | 277,118                                                |
| Dallas Co Schools                                                                            | 16,680                      | 48.15 %                                                       | 8,031                                                  |
| Dallas ISD                                                                                   | 3,259,600                   | 88.28 %                                                       | 2,877,575                                              |
| Denton Co                                                                                    | 571,605                     | 1.46 %                                                        | 8,345                                                  |
| Duncanville ISD                                                                              | 195,310                     | 44.16 %                                                       | 86,249                                                 |
| Garland ISD                                                                                  | 464,615                     | 1.56 %                                                        | 7,248                                                  |
| Grand Prairie ISD                                                                            | 427,000                     | 2.73 %                                                        | 11,657                                                 |
| Highland Park ISD (Dallas)                                                                   | 349,910                     | 9.50 %                                                        | 33,241                                                 |
| Irving ISD                                                                                   | 346,060                     | 2.21 %                                                        | 7,648                                                  |
| Lancaster ISD                                                                                | 190,202                     | 0.50 %                                                        | 951                                                    |
| Lewisville ISD                                                                               | 1,315,387                   | 0.00 %                                                        | -                                                      |
| Mesquite ISD                                                                                 | 724,608                     | 1.21 %                                                        | 8,768                                                  |
| Plano ISD                                                                                    | 625,625                     | 10.42 %                                                       | 65,190                                                 |
| Richardson ISD                                                                               | 689,695                     | 57.29 %                                                       | 395,126                                                |
| Rockwall Co                                                                                  | 137,950                     | 0.06 %                                                        | 83                                                     |
| Rockwall ISD                                                                                 | 514,759                     | 0.08 %                                                        | 412                                                    |
| Sunnyvale ISD                                                                                | 90,428                      | 0.00 %                                                        | -                                                      |
| Wylie ISD [Collin]                                                                           | 439,736                     | 0.02 %                                                        | 88                                                     |
| Subtotal, overlapping debt                                                                   | <u>\$ 13,155,366</u>        |                                                               | <u>\$ 3,989,327</u>                                    |
| City Of Dallas (direct debt)                                                                 | <u>2,462,173</u>            | 100.00 %                                                      | <u>2,462,173</u>                                       |
| Total direct and overlapping debt                                                            | <u>\$ 15,617,539</u>        |                                                               | <u>\$ 6,451,500</u>                                    |
| Ratio of Direct and Estimated Share of Overlapping Tax Debt<br>to Taxable Assessed Valuation |                             |                                                               | 4.96%                                                  |
| Per Capita Direct and Overlapping Tax Debt (not in thousands)                                |                             |                                                               | 4,955                                                  |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

<sup>(1)</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. Debt outstanding data was obtained from each governmental unit.

**CITY OF DALLAS, TEXAS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years (Unaudited)

Governmental

| Fiscal Year | General Obligation Bonds | Certificates of Obligation | Equipment Acquisition Notes | Pension Obligation Bonds | Capital Leases Payable | Commercial Paper | Long-term Notes Payable | Revenue and Refunding Bonds | General Obligation Bonds |
|-------------|--------------------------|----------------------------|-----------------------------|--------------------------|------------------------|------------------|-------------------------|-----------------------------|--------------------------|
| 2012        | \$ 1,343,278             | \$ 50,031                  | \$ 22,385                   | \$ 410,168               | \$ 6,526               | \$ 25,000        | \$ 4,702                | \$ 2,368,889                | \$ -                     |
| 2013        | 1,452,292                | 36,477                     | 9,375                       | 407,301                  | 17,737                 | -                | 31,635                  | 2,423,049                   | -                        |
| 2014        | 1,318,947                | 26,457                     | 4,685                       | 404,248                  | 26,991                 | 26,475           | 32,402                  | 2,316,892                   | -                        |
| 2015        | 1,558,578                | 21,871                     | -                           | 400,411                  | 52,488                 | 27,880           | 44,208                  | 2,577,258                   | -                        |
| 2016        | 1,641,422                | 18,011                     | -                           | 261,102                  | 59,117                 | 10,220           | 42,893                  | 2,701,953                   | 8,396                    |
| 2017        | 1,486,496                | 14,117                     | -                           | 253,016                  | 59,565                 | 9,650            | 49,027                  | 2,900,670                   | 7,307                    |
| 2018        | 1,699,537                | 10,779                     | -                           | 244,418                  | 75,788                 | 35,160           | 48,058                  | 3,006,797                   | 6,261                    |
| 2019        | 1,973,099                | 7,997                      | -                           | 346,837                  | 118,916                | 3,500            | 43,853                  | 2,937,671                   | 5,352                    |
| 2020        | 1,791,598                | 21,588                     | 33,071                      | 339,205                  | 98,185                 | 163,500          | 25,484                  | 3,134,664                   | 4,456                    |
| 2021        | 1,794,408                | 17,187                     | 53,365                      | 315,511                  | 103,001                | 159,676          | 19,025                  | 3,498,673                   | 2,440                    |

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> These ratios are calculated using personal income and population data (See Table 15).

<sup>(2)</sup> See Table 5 for property value data.

Table 11

| Business-Type                  |                              |                     |                               |                                |                                                    |                              |                         |                                                                          |                              |
|--------------------------------|------------------------------|---------------------|-------------------------------|--------------------------------|----------------------------------------------------|------------------------------|-------------------------|--------------------------------------------------------------------------|------------------------------|
| Pension<br>Obligation<br>Bonds | Capital<br>Leases<br>Payable | Commercial<br>Paper | Long-term<br>Notes<br>Payable | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income <sup>(1)</sup> | Per<br>Capita <sup>(1)</sup> | Total<br>Bonded<br>Debt | Percentage<br>of Estimated<br>Actual<br>Property<br>Value <sup>(2)</sup> | Per<br>Capita <sup>(1)</sup> |
| \$ 138,642                     | \$ -                         | \$ -                | \$ 8,985                      | \$ 4,378,606                   | 14.20%                                             | \$ 3,628                     | \$ 1,964,504            | 2.40%                                                                    | \$ 1,628                     |
| 137,815                        | -                            | -                   | 6,867                         | 4,522,548                      | 14.65%                                             | 3,670                        | 2,043,260               | 2.44%                                                                    | 1,660                        |
| 136,868                        | -                            | 122,840             | 4,708                         | 4,421,513                      | 13.15%                                             | 3,663                        | 1,891,205               | 2.17%                                                                    | 1,567                        |
| 135,617                        | 30,115                       | 90,458              | 2,508                         | 4,941,392                      | 14.50%                                             | 3,972                        | 2,116,477               | 2.27%                                                                    | 1,701                        |
| 119,738                        | 73,899                       | 48,322              | 266                           | 4,985,339                      | 13.02%                                             | 3,963                        | 2,048,669               | 2.04%                                                                    | 1,629                        |
| 116,029                        | 75,909                       | 18,500              | -                             | 4,990,286                      | 12.44%                                             | 3,929                        | 1,876,965               | 1.70%                                                                    | 1,478                        |
| 112,088                        | 101,813                      | -                   | -                             | 5,340,699                      | 13.28%                                             | 4,153                        | 2,073,083               | 1.75%                                                                    | 1,612                        |
| 159,051                        | 87,519                       | 164,500             | -                             | 5,848,295                      | 13.17%                                             | 4,492                        | 2,492,336               | 1.92%                                                                    | 1,914                        |
| 104,370                        | 85,915                       | 52,900              | -                             | 5,854,936                      | 12.76%                                             | 4,399                        | 2,294,288               | 1.64%                                                                    | 1,724                        |
| 144,686                        | 82,445                       | 2,280               | -                             | 6,192,702                      | 13.50%                                             | 4,749                        | 2,327,602               | 1.58%                                                                    | 1,785                        |

**CITY OF DALLAS, TEXAS**  
**LEGAL DEBT MARGIN**  
Last Ten Fiscal Years (Unaudited)  
(in thousands)

|                                                     | <u>2012</u>        | <u>2013</u>        | <u>2014</u>        | <u>2015</u>        |
|-----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Total Assessed Valuation                            | \$81,993,746       | \$83,681,722       | \$87,251,522       | \$93,138,211       |
| Overall debt limitation - 10% of assessed valuation | <u>8,199,375</u>   | <u>8,368,172</u>   | <u>8,725,152</u>   | <u>9,313,821</u>   |
| Net Debt Subject to Limitation                      | 1,666,007          | 1,691,184          | 1,547,227          | 1,700,335          |
| Legal debt margin within 10% limitation (1)         | <u>\$6,533,368</u> | <u>\$6,676,988</u> | <u>\$7,177,925</u> | <u>\$7,613,486</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 79.7%              | 79.8%              | 82.3%              | 81.7%              |

(1) Chapter XXI, Section 3 of the City of Dallas Charter states, "The maximum bonded indebtedness of the City outstanding at any one time, and payable from taxation, shall not exceed 10% of the total assessed valuation of property shown by the last assessment roll of the City."

**Table 12**

| <u>2016</u>        | <u>2017</u>        | <u>2018</u>         | <u>2019</u>         | <u>2020</u>         | <u>2021</u>         |
|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| \$100,318,937      | \$110,387,629      | \$118,314,677       | \$130,080,985       | \$140,237,631       | 147,443,517         |
| <u>10,031,894</u>  | <u>11,038,763</u>  | <u>11,831,468</u>   | <u>13,008,099</u>   | <u>14,023,763</u>   | <u>14,744,352</u>   |
| 1,774,889          | 1,625,654          | 1,816,873           | 2,055,841           | 1,939,270           | 1,936,978           |
| <u>\$8,257,005</u> | <u>\$9,413,109</u> | <u>\$10,014,595</u> | <u>\$10,952,258</u> | <u>\$12,084,493</u> | <u>\$12,807,374</u> |
| 82.3%              | 85.3%              | 84.6%               | 84.2%               | 86.2%               | 86.9%               |

**CITY OF DALLAS, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**DALLAS WATER UTILITIES**  
 Last Ten Fiscal Years (Unaudited)  
 (in thousands)

| Fiscal Year | Net Revenue Available for Debt Service |                        |             | Debt Service Requirements <sup>(2)</sup> |           |            | Revenue Bond Coverage <sup>(3)</sup> |
|-------------|----------------------------------------|------------------------|-------------|------------------------------------------|-----------|------------|--------------------------------------|
|             | Gross Revenue                          | Expense <sup>(1)</sup> | Net Revenue | Principal                                | Interest  | Total      |                                      |
| 2012        | \$ 535,289                             | \$ 235,821             | \$ 299,468  | \$ 96,115                                | \$ 77,250 | \$ 173,365 | 1.73                                 |
| 2013        | 554,686                                | 233,177                | 321,509     | 89,510                                   | 84,269    | 173,779    | 1.85                                 |
| 2014        | 569,822                                | 246,141                | 323,681     | 94,545                                   | 84,134    | 178,679    | 1.81                                 |
| 2015        | 568,841                                | 287,983                | 280,858     | 96,675                                   | 86,186    | 182,861    | 1.54                                 |
| 2016        | 619,890                                | 306,085                | 313,805     | 100,980                                  | 79,705    | 180,685    | 1.74                                 |
| 2017        | 630,542                                | 283,669                | 346,873     | 101,803                                  | 85,955    | 187,758    | 1.85                                 |
| 2018        | 675,938                                | 289,470                | 386,468     | 114,210                                  | 82,735    | 196,945    | 1.96                                 |
| 2019        | 626,181                                | 278,649                | 347,532     | 116,320                                  | 83,241    | 199,561    | 1.74                                 |
| 2020        | 657,258                                | 306,652                | 350,606     | 125,635                                  | 83,399    | 209,034    | 1.68                                 |
| 2021        | 677,326                                | 332,569                | 344,757     | 125,635                                  | 85,790    | 211,425    | 1.63                                 |

<sup>(1)</sup> Operating expenses do not include depreciation or any PILOT payments or similar payments that are not considered expenses of the operation and maintenance of the Water and Wastewater System.

Operating expenses includes payments for the Water Transmission Facilities Financing Agreement in, as explained in note 11.S. Per Texas Government Code, Section 1502.056(c), "a contract between a municipality and an issuer, as defined by Section 1201.002, under which the municipality obtains from the issuer part or all of the facilities or services of a utility system to that payments made by the municipality from the revenue of the utility system are an operating expense of the municipality's utility system."

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

Table 14

**CITY OF DALLAS, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**CONVENTION CENTER FUND**  
 Last Ten Fiscal Years (Unaudited)  
 (in thousands)

| Fiscal<br>Year | Net Revenue Available for Debt Service |                        |                | Debt Service Requirements <sup>(2)</sup> |           |           | Revenue<br>Bond<br>Coverage <sup>(3)</sup> |
|----------------|----------------------------------------|------------------------|----------------|------------------------------------------|-----------|-----------|--------------------------------------------|
|                | Gross<br>Revenue                       | Expense <sup>(1)</sup> | Net<br>Revenue | Principal                                | Interest  | Total     |                                            |
| 2012           | \$ 75,947                              | \$ 44,975              | \$ 30,972      | \$ 2,775                                 | \$ 16,421 | \$ 19,196 | 1.6                                        |
| 2013           | 85,820                                 | 52,850                 | 32,970         | 3,675                                    | 16,282    | 19,957    | 1.7                                        |
| 2014           | 90,356                                 | 54,606                 | 35,750         | 4,640                                    | 16,098    | 20,738    | 1.7                                        |
| 2015           | 99,805                                 | 57,479                 | 42,326         | 5,740                                    | 15,866    | 21,606    | 2.0                                        |
| 2016           | 110,653                                | 70,164                 | 40,489         | 6,945                                    | 15,579    | 22,524    | 1.8                                        |
| 2017           | 111,515                                | 71,123                 | 40,392         | 8,250                                    | 15,232    | 23,482    | 1.7                                        |
| 2018           | 120,196                                | 72,193                 | 48,003         | 8,665                                    | 14,820    | 23,485    | 2.0                                        |
| 2019           | 131,860                                | 81,761                 | 50,099         | 9,095                                    | 14,386    | 23,481    | 2.1                                        |
| 2020           | 86,380                                 | 51,855                 | 34,525         | 9,550                                    | 13,932    | 23,482    | 1.5                                        |
| 2021           | 79,995                                 | 54,588                 | 25,407         | 10,030                                   | 13,454    | 23,484    | 1.1                                        |

<sup>(1)</sup> Convention Center Revenue bond covenants require only Convention Center expenses be considered when calculating bond coverage. Expenses exclude depreciation expense.

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest.

**CITY OF DALLAS, TEXAS**  
**SCHEDULE OF REVENUE BOND COVERAGE**  
**AIRPORT REVENUES FUND**  
 Last Two Fiscal Years (Unaudited)  
 (in thousands)

| Fiscal<br>Year      | Net Revenue Available for Debt Service |                        |                | Average Debt Service Requirements <sup>(2)</sup> |          |           | Revenue<br>Bond<br>Coverage <sup>(3)</sup> |
|---------------------|----------------------------------------|------------------------|----------------|--------------------------------------------------|----------|-----------|--------------------------------------------|
|                     | Gross<br>Revenue                       | Expense <sup>(1)</sup> | Net<br>Revenue | Principal                                        | Interest | Total     |                                            |
| 2018 <sup>(4)</sup> | \$ 130,965                             | \$ 74,949              | \$ 56,016      | \$ 12,498                                        | \$ 6,757 | \$ 19,255 | 2.91                                       |
| 2019                | 159,229                                | 91,555                 | 67,674         | 13,002                                           | 6,497    | 19,498    | 3.47                                       |
| 2020                | 162,761                                | 77,693                 | 85,068         | 13,298                                           | 6,223    | 19,521    | 4.36                                       |
| 2021                | 147,612                                | 82,650                 | 64,962         | 24,130                                           | 11,392   | 35,522    | 1.83                                       |

<sup>(1)</sup> Operating expenses do not include depreciation.

<sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

<sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by average principal and interest outstanding at fiscal year end.

<sup>(4)</sup> Debt service payments from net revenues began in fiscal year 2018.



**CITY OF DALLAS, TEXAS**  
**DEMOGRAPHIC STATISTICS AND ECONOMIC STATISTICS**  
 Last Ten Fiscal Years (Unaudited)

| Fiscal Year | Population <sup>(1)</sup> | Personal Income                  | Per Capita Personal Income | Median Household Income  | Median Age          | Assessed Valuation (in thousands) | Labor Force | Unemployment <sup>(2)</sup> | Unemployment Rate <sup>(2)</sup> |
|-------------|---------------------------|----------------------------------|----------------------------|--------------------------|---------------------|-----------------------------------|-------------|-----------------------------|----------------------------------|
| 2012        | 1,207,420                 | \$ 30,842,940,190 <sup>(3)</sup> | \$ 25,545 <sup>(4)</sup>   | \$ 43,804 <sup>(3)</sup> | 31.7 <sup>(3)</sup> | \$ 81,993,746 <sup>(7)</sup>      | 580,975     | 44,955                      | 7.7 %                            |
| 2013        | 1,232,243                 | 30,868,803,800 <sup>(3)</sup>    | 25,051 <sup>(4)</sup>      | 41,318 <sup>(3)</sup>    | 32.0 <sup>(3)</sup> | 83,681,722 <sup>(7)</sup>         | 591,278     | 39,966                      | 6.8 %                            |
| 2014        | 1,232,360                 | 33,615,083,720 <sup>(3)</sup>    | 27,277 <sup>(4)</sup>      | 41,666 <sup>(3)</sup>    | 32.3 <sup>(3)</sup> | 87,251,522 <sup>(7)</sup>         | 596,473     | 34,977                      | 5.9 %                            |
| 2015        | 1,244,270                 | 34,081,929,000 <sup>(3)</sup>    | 27,391 <sup>(4)</sup>      | 43,103 <sup>(3)</sup>    | 32.1 <sup>(3)</sup> | 93,138,211 <sup>(7)</sup>         | 642,785     | 26,917                      | 4.2 %                            |
| 2016        | 1,257,730                 | 38,299,687,300                   | 30,451 <sup>(4)</sup>      | 44,461 <sup>(3)</sup>    | 32.5 <sup>(3)</sup> | 100,318,937 <sup>(7)</sup>        | 661,622     | 25,627                      | 3.9 %                            |
| 2017        | 1,270,170                 | 40,127,279,400 <sup>(3)</sup>    | 31,592 <sup>(4)</sup>      | 46,581 <sup>(3)</sup>    | 32.7 <sup>(3)</sup> | 110,387,629                       | 676,091     | 27,356                      | 4.1 %                            |
| 2018        | 1,286,380                 | 40,212,238,800 <sup>(3)</sup>    | 31,260 <sup>(4)</sup>      | 47,285 <sup>(3)</sup>    | 32.5 <sup>(3)</sup> | 118,314,677 <sup>(7)</sup>        | 694,383     | 25,302                      | 3.7 %                            |
| 2019        | 1,301,970                 | 44,411,357,000 <sup>(3)</sup>    | 34,111 <sup>(4)</sup>      | 51,419 <sup>(3)</sup>    | 32.9 <sup>(3)</sup> | 130,080,985 <sup>(7)</sup>        | 706,339     | 24,144                      | 3.4 %                            |
| 2020        | 1,330,612                 | 45,878,171,148                   | 34,479                     | 52,580 <sup>(3)</sup>    | 32.7 <sup>(3)</sup> | 140,237,631 <sup>(7)</sup>        | 695,823     | 45,769                      | 6.6 %                            |
| 2021        | 1,304,379                 | 45,878,171,148 <sup>(8)</sup>    | 34,479 <sup>(8)</sup>      | 52,580 <sup>(8)</sup>    | 32.7 <sup>(8)</sup> | 147,443,517 <sup>(7)</sup>        | 701,108     | 45,689                      | 6.5 %                            |

<sup>(1)</sup> North Central Texas Council of Governments estimate

<sup>(2)</sup> U.S. Bureau of Labor Statistics

<sup>(3)</sup> Personal Income, Median Household Income, and Median Age are averages of previous two years. Personal income is the aggregate income in the past 12 months. Census Bureau.

<sup>(4)</sup> Per Capita Personal Income is derived from Population and Personal Income values. Census Bureau.

<sup>(5)</sup> The 2011 North Central Texas Council of Governments estimate is based on 2010 Census and is not a continuation of previous 2001-2009 estimates. 2014 data obtained from United States Census Bureau.

<sup>(7)</sup> Consolidated Appraisal Value from Budget Office

<sup>(8)</sup> The information was not available for September 30, 2021, so the information as of September 30, 2020 was used in this table.

All values by year are current estimates as published by the source at the date of publication. Updates to the values after publication date by their source are not reflected.

Table 17

**CITY OF DALLAS, TEXAS  
PRINCIPAL EMPLOYERS**  
Current Year and Nine Years Ago (Unaudited)

| Name of Employers                                 | 2021           |      |                                | 2012          |      |                                |
|---------------------------------------------------|----------------|------|--------------------------------|---------------|------|--------------------------------|
|                                                   | Employees      | Rank | Percentage of Total Employment | Employees     | Rank | Percentage of Total Employment |
| Dallas Independent School District <sup>(4)</sup> | 22,621         | 1    | 1.91%                          | 18,868        | 1    | 2.29%                          |
| City of Dallas <sup>(5)</sup>                     | 13,000         | 2    | 1.10%                          | 13,369        | 2    | 1.62%                          |
| AT&T Inc. <sup>(1)</sup>                          | 10,990         | 3    | 0.93%                          | -             | -    | -                              |
| Medical City Dallas <sup>(2)</sup>                | 10,800         | 4    | 0.91%                          | -             | -    | -                              |
| Parkland Health & Hosp System <sup>(2)</sup>      | 10,577         | 5    | 0.89%                          | 9,500         | 4    | 1.15%                          |
| Texas Instruments Inc. <sup>(3)</sup>             | 9,800          | 6    | 0.83%                          | 9,300         | 5    | 1.13%                          |
| Dallas County Community College <sup>(6)</sup>    | 8,230          | 7    | 0.69%                          | 6,001         | 9    | 0.73%                          |
| Methodist Dallas Med Ctr <sup>(2)</sup>           | 7,114          | 8    | 0.60%                          | -             | -    | -                              |
| Dallas County <sup>(7)</sup>                      | 6,500          | 9    | 0.55%                          | 7,427         | 7    | 0.90%                          |
| Childrens Health <sup>(2)</sup>                   | 6,355          | 10   | 0.54%                          | -             | -    | -                              |
| Baylor Scott & White Health <sup>(2)</sup>        | -              | -    | -                              | 7,847         | 6    | 0.95%                          |
| UT Southwestern Medical Center <sup>(2)</sup>     | -              | -    | -                              | 13,053        | 3    | 1.58%                          |
| Texas Health Presbyterian Hosp <sup>(2)</sup>     | -              | -    | -                              | 5,917         | 10   | 0.72%                          |
| Southwest Airlines Co <sup>(2)</sup>              | -              | -    | -                              | 6,458         | 8    | 0.78%                          |
| <b>Total</b>                                      | <b>105,987</b> |      | <b>9.25%</b>                   | <b>97,740</b> |      | <b>11.84%</b>                  |

Source <sup>(1)</sup>: CoStar, 2020; ReferenceUSA, 2021

Source <sup>(2)</sup>: Reference Solutions, 2021

Source <sup>(3)</sup>: EBSCO Industries, Inc., 2021

Source <sup>(4)</sup>: Dallas Independent School District, 2021

Source <sup>(5)</sup>: City of Dallas - Annual Budget, FY21-22

Source <sup>(6)</sup>: Dallas County Community College, 2021

Source <sup>(7)</sup>: Dallas County, 2021



“Our Product is Service”  
Empathy | Ethics | Excellence | Equity

**CITY OF DALLAS, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years (Unaudited)

| <b>Function/Program</b>                              | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|------------------------------------------------------|-------------|-------------|-------------|-------------|
| <u>Public safety</u>                                 |             |             |             |             |
| Police stations                                      | 8           | 8           | 8           | 8           |
| Fire stations                                        | 56          | 57          | 57          | 58          |
| <br><u>Streets, public works and transportation</u>  |             |             |             |             |
| Streets - paved (miles)                              | 4,028       | 4,031       | 4,033       | 4,041       |
| Lane miles                                           | 11,676      | 11,701      | 11,771      | 11,754      |
| Traffic signals                                      | 1,333       | 1,342       | 1,348       | 1,354       |
| Street lights                                        | 86,406      | 87,263      | 87,355      | 87,790      |
| <br><u>Parks and recreation</u>                      |             |             |             |             |
| Parks                                                | 378         | 374         | 381         | 380         |
| Parks acres                                          | 23,164      | 23,331      | 22,842      | 23,470      |
| Miles of trails (jogging, hiking & biking)           | 125         | 130         | 130         | 144         |
| Number of lakes                                      | 18          | 18          | 13          | 13          |
| Swimming pools                                       | 22          | 20          | 18          | 18          |
| Spraygrounds "Water-enhanced playground"             | 8           | 10          | 10          | 11          |
| Athletic fields (soccer, football, baseball & rugby) | 278         | 272         | 272         | 271         |
| Tennis centers                                       | 5           | 5           | 5           | 5           |
| Number of tennis courts                              | 81          | 81          | 81          | 81          |
| Neighborhood tennis courts                           | 171         | 177         | 177         | 177         |
| Multi-use courts                                     | 154         | 156         | 156         | 153         |
| Golf courses (18 holes)                              | 6           | 6           | 6           | 6           |
| Recreation centers (community)                       | 43          | 43          | 43          | 43          |
| <br><u>Water</u>                                     |             |             |             |             |
| Water mains (miles)                                  | 4,915       | 4,922       | 4,922       | 4,925       |
| Fire hydrants                                        | 29,028      | 29,243      | 29,626      | 29,666      |
| <br><u>Wastewater</u>                                |             |             |             |             |
| Miles of sanitary sewers                             | 4,020       | 4,017       | 4,017       | 4,017       |
| Miles of storm sewers                                | 1,790       | 1,791       | 1,791       | 1,800       |

Source: City capital asset records

**TABLE 18**

| 2016   | 2017   | 2018   | 2019   | 2020   | 2021   |
|--------|--------|--------|--------|--------|--------|
| 8      | 8      | 8      | 8      | 8      | 8      |
| 58     | 58     | 58     | 58     | 58     | 58     |
| 4,034  | 4,027  | 4,027  | 4,056  | 4,069  | 4,009  |
| 11,775 | 11,757 | 11,755 | 11,811 | 11,860 | 11,622 |
| 1,354  | 1,368  | 1,373  | 1,383  | 1,399  | 1,422  |
| 87,790 | 91,000 | 88,122 | 92,542 | 92,909 | 93,977 |
| 389    | 396    | 397    | 397    | 397    | 397    |
| 23,147 | 20,109 | 20,245 | 20,109 | 23,464 | 20,245 |
| 153    | 158    | 161    | 162    | 168    | 180    |
| 13     | 13     | 13     | 40     | 40     | 40     |
| 19     | 19     | 20     | 19     | 19     | 19     |
| 11     | 11     | 11     | 11     | 11     | 17     |
| 278    | 274    | 269    | 287    | 287    | 287    |
| 5      | 5      | 5      | 5      | 5      | 4      |
| 81     | 99     | 99     | 99     | 99     | 99     |
| 177    | 157    | 157    | 157    | 157    | 157    |
| 154    | 158    | 154    | 159    | 159    | 159    |
| 6      | 6      | 6      | 6      | 6      | 6      |
| 43     | 43     | 43     | 43     | 43     | 43     |
| 4,937  | 4,955  | 4,983  | 4,986  | 5,005  | 5,017  |
| 29,857 | 30,176 | 30,558 | 30,707 | 30,950 | 31,091 |
| 4,020  | 4,022  | 4,040  | 4,046  | 4,052  | 4,058  |
| 1,820  | 1,838  | 1,963  | 1,963  | 1,869  | 1,879  |

**CITY OF DALLAS, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years (Unaudited)

| Function/Program                              | 2012            | 2013            | 2014            | 2015            |
|-----------------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Public Safety                                 |                 |                 |                 |                 |
| Police                                        |                 |                 |                 |                 |
| Calls for Service                             | 589,865         | 591,997         | 590,443         | 599,319         |
| Fire                                          |                 |                 |                 |                 |
| Calls for Service - Fire                      | 59,784          | 46,127          | 42,346          | 41,049          |
| Calls for Service - EMS                       | 172,032         | 193,820         | 195,802         | 189,894         |
| Recreation                                    |                 |                 |                 |                 |
| Number of Membership Scans                    | N/A             | 348,830         | 545,998         | 564,684         |
| Building Permits                              |                 |                 |                 |                 |
| Permits Issued                                | 43,064          | 38,478          | 36,044          | 37,951          |
| Estimated Value                               | \$2,310,325,994 | \$2,652,432,543 | \$3,305,921,947 | \$4,097,419,967 |
| Airport                                       |                 |                 |                 |                 |
| Airport Operations<br>(Takeoffs and Landings) | 177,067         | 178,232         | 176,889         | 209,121         |
| Utilities (millions of gallons)               |                 |                 |                 |                 |
| Water Usage - Peak                            | 649             | 583             | 535             | 619             |
| Water Usage - Average                         | 395             | 391             | 369             | 374             |

Source: Department annual records

Note:

N/A - Information not available

**Table 19**

| 2016            | 2017            | 2018            | 2019            | 2020            | 2021            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 628,871         | 608,548         | 586,727         | 617,111         | 587,564         | 569,280         |
| 43,228          | 43,783          | 53,171          | 49,594          | 60,892          | 66,357          |
| 202,212         | 206,323         | 206,161         | 205,245         | 172,993         | 194,646         |
| 632,246         | 453,369         | 344,127         | 361,833         | 17,913          | 818,548         |
| 41,480          | 40,650          | 38,826          | 44,981          | 40,013          | 44,618          |
| \$4,636,962,395 | \$4,264,728,943 | \$4,011,159,859 | \$4,730,498,312 | \$4,025,997,722 | \$4,264,667,272 |
| 223,997         | 225,754         | 232,380         | 229,594         | 187,220         | 197,436         |
| 592             | 511             | 607             | 606             | 588             | 687             |
| 369             | 372             | 389             | 369             | 380             | 382             |

Table 20

**CITY OF DALLAS, TEXAS**  
**HEADCOUNT OF CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years (Unaudited)

| Function/Program                                         | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
|----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Government</b>                                |               |               |               |               |               |               |               |               |               |               |
| City Manager's Office                                    | 20            | 14            | 15            | 14            | 12            | 11            | 13            | 17            | 13            | 16            |
| City Attorney                                            | 122           | 144           | 144           | 149           | 153           | 157           | 150           | 159           | 150           | 137           |
| City Auditor                                             | 20            | 19            | 22            | 22            | 22            | 23            | 25            | 19            | 20            | 21            |
| City Controller's Office                                 | 44            | 42            | 42            | 42            | 41            | 47            | 48            | 54            | 65            | 71            |
| City Secretary                                           | 14            | 15            | 14            | 15            | 17            | 18            | 21            | 23            | 24            | 24            |
| Code Compliance Services                                 | 401           | 388           | 397           | 404           | 440           | 455           | 345           | 326           | 329           | 359           |
| Communication & Information Services                     | 168           | 173           | 170           | 163           | 170           | 188           | 187           | 179           | 198           | 188           |
| Dallas Animal Services                                   | -             | -             | -             | -             | -             | -             | 131           | 148           | 154           | 158           |
| Office of Economic Development                           | 40            | 41            | 41            | 39            | 36            | 37            | 27            | 24            | 30            | 42            |
| Equipment and Building Services <sup>(2)</sup>           | 381           | 435           | 461           | 461           | 452           | 491           | 469           | -             | -             | -             |
| Equipment & Fleet Management                             | -             | -             | -             | -             | -             | -             | -             | 216           | 237           | 224           |
| Building Services Department                             | -             | -             | -             | -             | -             | -             | -             | 169           | 176           | 173           |
| Office of Budget                                         | 30            | 39            | 39            | 47            | 30            | 31            | 34            | 36            | 42            | 29            |
| Office of Bond Program Administration                    | -             | -             | -             | -             | -             | -             | -             | -             | 12            | 14            |
| Office of Data Analytics and Business Intelligence       | -             | -             | -             | -             | -             | -             | -             | -             | -             | 22            |
| Human Resources                                          | 40            | 41            | 47            | 49            | 53            | 54            | 49            | 53            | 53            | 58            |
| Housing & Neighborhood Revitalization                    | -             | -             | -             | -             | -             | -             | 40            | 41            | 45            | 15            |
| Housing                                                  | 391           | 364           | 357           | 367           | 357           | 304           | -             | -             | -             | -             |
| Office of Cultural Affairs                               | 56            | 64            | 61            | 64            | 63            | 63            | 68            | 64            | 51            | 77            |
| Municipal Court-Judiciary                                | 32            | 34            | 33            | 32            | 29            | 32            | 30            | 27            | 26            | 38            |
| Courts & Detention Services                              | 161           | 151           | 145           | 152           | 158           | 153           | 140           | 202           | 197           | 194           |
| Office of Procurement Services                           | 39            | 39            | 41            | 41            | 40            | 36            | 31            | 34            | 34            | 32            |
| Planning & Urban Design                                  | -             | -             | -             | 23            | 28            | 28            | 26            | 25            | 26            | 24            |
| Sustainable Development & Construction Services          | -             | -             | -             | -             | -             | -             | 297           | 310           | 308           | 303           |
| Library                                                  | 259           | 264           | 266           | 348           | 391           | 389           | 407           | 415           | 382           | 314           |
| Management Services                                      | 164           | 160           | 164           | 160           | 181           | 199           | 452           | 505           | 494           | 572           |
| <b>Subtotal</b>                                          | <b>2,382</b>  | <b>2,427</b>  | <b>2,459</b>  | <b>2,592</b>  | <b>2,673</b>  | <b>2,716</b>  | <b>2,990</b>  | <b>3,046</b>  | <b>3,066</b>  | <b>3,105</b>  |
| <b>Public Safety</b>                                     |               |               |               |               |               |               |               |               |               |               |
| Police-Uniform                                           | 3,470         | 3,463         | 3,524         | 3,483         | 3,354         | 3,075         | 3,033         | 3,077         | 3,161         | 3,138         |
| Police-Civilian                                          | 541           | 557           | 540           | 545           | 550           | 624           | 568           | 550           | 506           | 637           |
| Fire-Uniform                                             | 1,874         | 1,870         | 1,867         | 1,901         | 1,878         | 1,811         | 1,940         | 1,986         | 1,986         | 2,002         |
| Fire-Civilian                                            | 85            | 82            | 92            | 104           | 102           | 105           | 103           | 98            | 101           | 99            |
| <b>Subtotal</b>                                          | <b>5,970</b>  | <b>5,972</b>  | <b>6,023</b>  | <b>6,033</b>  | <b>5,884</b>  | <b>5,615</b>  | <b>5,644</b>  | <b>5,711</b>  | <b>5,754</b>  | <b>5,876</b>  |
| <b>Development Services</b>                              | <b>224</b>    | <b>237</b>    | <b>264</b>    | <b>269</b>    | <b>280</b>    | <b>299</b>    | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>Public Works</b>                                      |               |               |               |               |               |               |               |               |               |               |
| Public Works & Transportation                            | 140           | 143           | 144           | 138           | 137           | -             | -             | -             | -             | -             |
| Streets, Public Works, and Transportation <sup>(1)</sup> | 496           | 485           | 491           | 510           | 508           | 609           | 633           | -             | -             | -             |
| Public Works                                             | -             | -             | -             | -             | -             | -             | -             | 445           | 433           | 424           |
| Trinity Watershed Management                             | 172           | 170           | 193           | 205           | 207           | 209           | 208           | -             | -             | -             |
| Transportation                                           | -             | -             | -             | -             | -             | -             | -             | 133           | 133           | 143           |
| <b>Subtotal</b>                                          | <b>808</b>    | <b>798</b>    | <b>828</b>    | <b>853</b>    | <b>852</b>    | <b>818</b>    | <b>841</b>    | <b>578</b>    | <b>566</b>    | <b>567</b>    |
| <b>Parks and Recreation</b>                              | <b>581</b>    | <b>598</b>    | <b>614</b>    | <b>661</b>    | <b>729</b>    | <b>691</b>    | <b>702</b>    | <b>690</b>    | <b>676</b>    | <b>825</b>    |
| <b>Water Utilities</b>                                   | <b>1,406</b>  | <b>1,440</b>  | <b>1,432</b>  | <b>1,463</b>  | <b>1,439</b>  | <b>1,439</b>  | <b>1,363</b>  | <b>1,520</b>  | <b>1,473</b>  | <b>1,468</b>  |
| <b>Convention &amp; Events Services</b>                  | <b>80</b>     | <b>71</b>     | <b>74</b>     | <b>80</b>     | <b>98</b>     | <b>111</b>    | <b>106</b>    | <b>27</b>     | <b>28</b>     | <b>23</b>     |
| <b>Aviation</b>                                          | <b>178</b>    | <b>196</b>    | <b>187</b>    | <b>203</b>    | <b>206</b>    | <b>240</b>    | <b>261</b>    | <b>277</b>    | <b>270</b>    | <b>274</b>    |
| <b>Sanitation</b>                                        | <b>458</b>    | <b>460</b>    | <b>472</b>    | <b>488</b>    | <b>483</b>    | <b>487</b>    | <b>483</b>    | <b>491</b>    | <b>480</b>    | <b>458</b>    |
| <b>Other</b>                                             |               |               |               |               |               |               |               |               |               |               |
| Mayor & Council                                          | 37            | 37            | 36            | 39            | 37            | 40            | 37            | 39            | 34            | 52            |
| Employee Retirement                                      | 21            | 22            | 19            | 23            | 25            | 28            | 29            | 31            | 33            | 35            |
| Civil Services                                           | 15            | 18            | 20            | 24            | 22            | 28            | 26            | 27            | 24            | 21            |
| Office of Risk Management                                | 23            | 24            | 24            | 22            | 27            | 26            | 36            | 37            | 41            | 41            |
| <b>Subtotal</b>                                          | <b>96</b>     | <b>101</b>    | <b>99</b>     | <b>108</b>    | <b>111</b>    | <b>122</b>    | <b>128</b>    | <b>134</b>    | <b>132</b>    | <b>149</b>    |
| <b>Total</b>                                             | <b>11,725</b> | <b>11,840</b> | <b>11,980</b> | <b>12,262</b> | <b>12,272</b> | <b>12,538</b> | <b>12,518</b> | <b>12,474</b> | <b>12,445</b> | <b>12,745</b> |

Source: City Human Resources Records

<sup>(1)</sup> In fiscal year 2017, streets, public works, and transportation were combined.<sup>(2)</sup> In fiscal year 2019, Equipment and Building Services were reorganized as two separate departments - Equipment and Fleet Management and Building Services







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